

**INSTITUTIONALISM AND AGRARIAN TRANSFORMATION IN MALAWI:
A CRITICAL ANALYSIS OF INSTITUTIONAL FRAMEWORKS FOR
AGRARIAN CHANGE, 1900 – 2017**

PhD (DEVELOPMENT STUDIES) THESIS

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UNIVERSITY OF MALAWI

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**JULY 2022 INSTITUTIONALISM AND AGRARIAN TRANSFORMATION IN
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PhD (DEVELOPMENT STUDIES) THESIS

By

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Master of Arts (Science, Society and Development)-University of Sussex

Submitted to the Faculty of Social Science, in partial fulfilment of the requirements
for the degree of Doctor of Philosophy (Development Studies)

University of Malawi

August, 2022

DECLARATION

I declare that this dissertation is my own work and is being presented to the University of Malawi for the first time.

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CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with our approval.

Signature: **Date**

Professor Happy Kayuni

First Supervisor

Signature: **Date**

Professor Wapulumuka Mulwafu

Second Supervisor

DEDICATION

I dedicate this work to my mother, LENITA NKHONO (Nathala), MHSRIP. The woman who escorted me to school on my first day of primary school. On that day she said to me one thing that has always been on my mind: She always wanted me to be a Doctor.

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PREFACE

The intellectual journey of developing this doctoral thesis started well before I registered as a PhD student at the University of Malawi. This is a product of my long experience of working in the sector of development and agriculture, observing the harsh realities of poverty in Malawi and most countries in sub-Saharan Africa where my experience has generally been. What I observed gave me a deep desire to do something about it. However, in my quest for wanting to do something, I realised the important role that institutions play in creating a structure that is perpetuating poverty and food insecurity. This doctoral research has therefore enlightened me on the historical trends in institutional formations and how they have resulted in the current agrarian structure in Malawi.

During my undergraduate studies at the Bunda College of Agriculture, I was introduced to several theoretical insights of agriculture development. As a student of Agricultural Economics, I left the college after graduation with a great enthusiasm of wanting to contribute to change, wanting to apply theory into practice. However, having worked with the Non-Governmental Organizations for about 18 years and in the process rising to be the Director of the Civil Society Agriculture Network (CISANET), the highest policy advocacy position in the agriculture sector in Malawi, I still got baffled by the failure of development of the agriculture sector. During my five years as the Director of CISANET I observed huge Government, private sector and donor investments going into the agriculture sector. In my view and also what this study has found out is that these investments have, however, brought little results. In normal circumstances, this level of investments could have brought development and transformation of the agriculture sector in Malawi but what we are currently seeing is underdevelopment and increasing levels of poverty, malnutrition and food insecurity among the smallholder farmers. This kind of situation left me with a lot of questions of wanting to understand the underlying causes of this state of affairs.

I therefore felt that a deeper understanding of agrarian change and how it has taken place worldwide would help me appreciate the political economy of development especially in agrarian economies like Malawi. I have noted that agrarian change is influenced by processes spanning from the community structures, the national institutions and the global order of development. This, therefore, means that what we

are seeing at the local level in Malawian communities culminates from the processes at the global level, which to a great extent contributes to the limited choices that a peasant household has. The agrarian question of every community has to be studied within the broader scope of the national and global order. However, at the same time, just as the individual peasant acts and reacts to these stimuli, he becomes both the agent and also the object of change. This therefore means that the stagnation and the failure to change the peasantry into capitalist or semi-capitalist production has to be seen as coming from an ensemble of forces that structure opportunities and incentives that bring about change. They structure the social relations that govern the forms and types of production as well as exchange relations that govern the forms and type of production and marketing of produce as well as inputs.

The research that has resulted into the development of this doctoral dissertation has therefore contributed to my understanding of agrarian change and what needs to be done to bring about agricultural and agrarian transformation in Malawi. The insights highlighted in the dissertation go a long way in generating knowledge on the interaction between institutions and development of agrarian societies. It therefore helps me in my quest to contribute to development and agriculture transformation in Malawi and the African continent generally.

ABSTRACT

Institutions are at the center of any development process. This study makes an analysis of the role institutions play in the process of agrarian change. Additionally, the study provides a conceptual linkage of institutions and agrarian change, starting with the classical debates of agrarian change and development and how institutional formations have been at the core of such development processes. The study uses Malawi development processes as a case study of an agrarian economy where, since its inception as a British Protectorate in 1891, development processes both at community and national levels have centered on agriculture. Furthermore, this agrarian economy and structure has been institutionally determined. The study identifies some critical junctures and the path dependent nature of institutional change in agrarian transformation over time. It analyses four economic and political eras starting from the colonial period (1900 – 1964), the immediate post-colonial period (1965 – 1979), the structural adjustment period (1980 – 1994) and the Post adjustment period (1995 – 2017). The study uses qualitative data collection methods including archival and literature analysis, focus group discussions and key informant interviews. For key informants and focus groups, respondents were identified using purposive sampling and snowballing techniques. Using the theory of historical institutionalism, the study underscores that every pathway to development has a historical trail and that it depends on the historical and contemporary understanding of the players who is institutions and individuals involved in these processes to conceptualize future scenarios of development. The study also contributes to the scholarship and to our understanding of institutional change especially using endogenous change processes. This has been done by integrating ideas from constructivist innovation studies to institutional change using the notion of sustainable niche management. This helps to further explain endogenous institutional changes and path dependency in the process of institutional change. The study has attempted to answer the question why the achievement of food security still remains elusive in Malawi despite numerous efforts to deal with hunger and agrarian transformation.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACP	Africa Caribbean and Pacific
ADD	Agriculture Development Division
ADMARC	Agriculture Development and Marketing Corporation
ASAC	Agriculture Sector Adjustment Credit
ASWAP	Agriculture Sector wide Approach
BCGA	British Cotton Growers Association
BOP	Balance of Payment
BRCC	British Raw Cotton Commission
CAADP Program	Comprehensive Africa Agriculture Development Program
COMESA	Common Market for the Eastern and Southern Africa
DPP	Democratic Progressive Party
EPA	Extension Planning Area
EU	European Union
FAC	Future Agricultures Consortium
FDG	Focus Group Discussion
FDI	Foreign Direct Investment
FISP	Farm Input Subsidy Programme
FMB	Farmers Marketing Board
GDP	Gross Domestic Product
GoM	Government of Malawi
HI	Historical Institutionalism
IDA	International Development Association

IFAD	International Fund for Agriculture Development
IMF	International Monetary Fund
IPS	Integrated Production System
IRDP	Integrated Rural Development Programme
KII	Key Informant Interview
LLDP	Lilongwe Land Development Programme
MARDEF	Malawi Rural Development Fund
MCP	Malawi Congress Party
MMM	Malawi Milk Marketing
MNA	Malawi National Archives
MoAWD	Ministry of Agriculture and Water Development
MoF	Ministry of Finance
MRFC	Malawi Rural Finance Company
MYP	Malawi Young Pioneers
NASFAM	National Smallholder Farmers' Association of Malawi
NEPAD	New Economic Partnership for African Development
NRDP	National Rural Development Programme
NTB	Native Tobacco Board
OECD	Organization of Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
PMB	Produce Marketing Board
RDP	Rural Development Programme
SACA	Smallholder Agriculture Credit Administration
SADC	Southern Africa Development Community

SAL	Structural Adjustment Loans
SAP	Structural Adjustment Programme
SECAL	Sector Adjustment Loans
SEDOM	Small Enterprise Development of Malawi
SNM	Sustainable Niche Management
SOE	State Owned Enterprise
TIP	Targeted Input Program
TNC	Transnational Corporation
UDF	United Democratic Front
UN	United Nations
UNDP	United Nations Development Programme
USA	United States of America
USAID	United States Agency for International Development
WHO	World Health Organization
YEDEF	Youth Development Fund

CHAPTER ONE

INTRODUCTION

1.1 Introduction and Background

The study notes that institutions, which are defined as humanly devised rules of the game and the constraints that shape human behaviour and interactions (North, 1991), are an important aspect in any form of development initiative. The present study believes that it is institutions, which determine the direction and outcomes of every development process. The study therefore puts this into perspective as regards the process of agrarian change and uses Malawi development processes as a case study. This study explains how institutional change and formation have over the past 100 years been the main causes of the current agrarian state in Malawi. Additionally, it has gone further to show how this is contributing to the current food security status of the country both at national and household levels. This analysis has been done by taking into consideration the historical trail of change of institutions, the events that brought about the change and what those changes brought to the agriculture sector in Malawi. However, in the process of achieving this aim, the study further generates a deeper understanding of how agrarian transformation is an outcome of institutional change over time. Through this analysis, the study has expounded and proven that the level of underdevelopment and poverty of most communities and households in Malawi has been exacerbated by the kind of institutional structure that has prevailed in the agriculture sector for a number of years. The study is further guided by the assumption that investments and institutional changes that have taken place over the period under review have not contributed much to agrarian transformation as evidenced by the failure of agriculture to significantly reduce its percentage contribution to the GDP¹.

¹ Refer to chapter 3.1

As mentioned above this study analyses the major institutional changes in the agriculture sector over the past 100 years (from 1900 to 2017). The study focused on issues of land, markets and production and how these contributed to agrarian change in Malawi. It concludes that it is institutions that facilitate any form of agrarian change and not necessarily resource endowment. Therefore, any attempt at understanding the current state of agrarianism must consider an historical analysis of institutional change over time. In other words, any effort at developing pathways to future scenarios of the agrarian economies has to appreciate the institutional change over time and path dependent nature of such change. Additionally, this study shows what makes institutions to change, especially on endogenous processes of institutional change. The study has made an attempt to add to the scholarship on institutionalism, especially historical institutionalism, which was the main theory of analysis in this study. This addition has been an application of niche management, a concept from constructivist innovation studies on how it can help us understand more on endogenous process of institutional change.

This thesis has six chapters and they have been structured as follows. Chapter one presents the background to the study focusing on why it was conducted. Furthermore, the chapter presents the problem statement, the aim and objectives of the study. Chapter two, outlines then methodology that was followed in gathering but also analysing data for the study. Chapter three presents the theoretical framework and, as pointed out earlier, historical institutionalism has been used to guide the arguments and the analysis of institutional change over time. The chapter presents a brief introduction of institutions highlighting what they are and their importance in development processes. Chapter four provides a literature review of the issues the study is exploring. Furthermore, the chapter presents a conceptual linkage between agriculture, food security and development. This is a conceptual understanding of the three disciplines which form a basis for much of the discussion of this thesis. Additionally, the chapter explains the classical and contemporary debates in agrarian changes. This is a further attempt to locate the study within the broader body of literature on agrarian change. Chapter five presents the main body of the thesis. This chapter presents the discussion of the results and their implications on the objectives of the study. Chapter six, which is the last one presents the implications of the study

to scholarship of institutionalism and also its contribution to the study of agrarian change and development.

1.2 Problem statement

The study seeks to establish why the goals of attaining food security still remain on the agenda for government and that the state of the peasantry remains unchanged for most Malawian communities despite years of considerable investment and institutional reforms in agriculture in Malawi.

Some literature like Conway (2012) and Juma (2011) have argued that in any agrarian society, the state of agricultural transformation and development is mainly defined by the ability of the sector to ensure food security and to increase its nominal and real contribution to the GDP. The assumption here is that the increased volumes from agricultural production will translate to increased availability of food and hence food security. Additionally, the surplus from agricultural production could be used as raw materials and capital for industrial development. (For further details, refer to Chapter 3.1). Further studies done by Chirwa and Dorward (2015) and Benson (2021) have shown that in Malawi and most agrarian societies, an increased investment in agriculture has a direct correlation to food security. As this study shall further demonstrate, industrial development is usually preceded by an agricultural revolution. Literature on the Russian collectivisation has shown how increased agricultural output leads to industrial and social transformation of communities (Bernstein, 2009). Most Keynesianist literature have demonstrated the role of the state in providing resources and an environment that facilitates agriculture development and food security (Wade, 1990; Chang, 2002). Furthermore, local agriculture development initiatives like providing subsidies to peasant farmers from 1951 in Malawi, significantly increased their food production (Mandala, 1990). At the same time programs like the Integrated Rural Development Programmes that started in 1967 contributed to an overall food production and food security in Lilongwe and other areas where this programmes was implemented (Chipande, 1983)

Other literature, like (World Bank, 2008) has additionally argued that agricultural transformation should be considered to have taken place when the percentage contribution of agriculture to GDP decreases and also its direct contribution as a

source of employment decreases (World Bank, 2008). The assumption here is that a transformed agriculture will be highly mechanised thereby decreasing the level of human resources it employs. At the same time a transformed agriculture will boost industrial development and its percentage contribution to the GDP. Studies in some Asian and African countries have shown the mutually inclusive is the relationship between agriculture and the industry and how that directly translates to the economic dynamics in the country (Khan et al., 2021; Chi & Alemu, 2013). An increased percentage contribution of industry to the GDP means a decreased percentage contribution of agriculture. In both cases, agriculture in Malawi is falling short and its performance has been fluctuating with the period between 1969 and 1979 being the best era in as far as agricultural performance is concerned and the 1990s being the worst (GoM, 2000).

The study aims at understanding this puzzle (why historically government has exerted a lot of effort but no meaningful outcome) using a historical institutionalist approach. In the process of unravelling this puzzle the study interrogates the Malawi institutional makeup of the agricultural system. Thus, the study discusses why institutional changes that led to an agrarian stratification of the peasantry and the capitalist white settler farmers (and also institutional changes on land, marketing and production) happened in a very subtle way and were regarded as normal. Why was there no institutional vacuum at every point of turn in agricultural institutions? In this case, the study attempts at explaining this by applying the notion of niche management as an additional way of explaining institutional and agrarian change and critical junctures. In other words, consideration has been made about the historical and contemporary institutional issues that affected the development of agrarian structures in Malawi. As already explained, through the use of historical institutionalism as a theoretical framework², the study has analysed the changes in institutional trends over a 100-year period. This period was chosen so as to understand the trends of change under different political regimes of the colonial and post-colonial periods as the present state of affairs could be a legacy of the decisions and institutional structures that were made during the colonial period.

² For further details on the theory of historical institutionalism and why the theory matters in order to understand the problem, please refer to Chapter 3.3.

1.3 Research Aim

The study aims at critiquing the institutional frameworks that have informed agrarian transformation efforts in Malawi over the past 100 years in an effort to achieve food security and development.

1.4 Objectives

Specifically, the study aimed to:

1. Establish the characteristics of major institutional frameworks implemented in Malawi to achieve agrarian transformation.
2. Assess the factors that led to institutional change for agrarian transformation in Malawi during the period under review.
3. Establish how the institutional frameworks and structures have contributed to present food security status.

1.5 Justification of the research project

The study is important as it contributes to increasing understanding of how institutional transitions contribute to agricultural transformation, food security and development. It helps policy makers and scholars in understanding how the dynamism and interaction of institutions in space and time makes agriculture perform or not. This understanding could help decision makers in coming up with better policies and interventions for agricultural transformation and development. It is also hoped that understanding historical trends in agricultural development and the factors that contributed to those trends could help in projecting the future of agricultural development. The study assists in strengthening the current frameworks used to understand and analyse institutional formation and change and how this can influence agrarian change. To this end, the study has consulted a wider range of literature which has demonstrated a progressive change in institutional frameworks from 1900 to 2017. It has identified the critical junctures and how these led to institutional and agrarian change in Malawi. Lastly, the present study adds to the scholarship and contribute to the debate on our understanding of exogenous institutional change by

applying the concept of niche management in institutional theory. For instance the study identifies in literature, four processes³ through which institutions change and these include: 1) *Layering* (Schickler, 2001) this is where new and more relevant ideas are added to the discourse to redefine a phenomenon or a regime. 2) *Conversion* (Thelen, 2004). This stipulates the reinterpretation of an existing idea to serve new purposes. 3) *Drift* (Cappocia, 2016). This is where the old rules are intentionally not adapted to changing exogenous conditions, with the purpose of gradually changing their effects. 4) *Exhaustion*. (Cappocia & Kelemen, 2007) this is where an institution ‘withers away’ through over-extension that diminishes its capacity to do what it was originally invented to do. The study adds to this debates by bringing in an idea of progressive niche development and how these niches become building blocks for new institutional formations leading to change in institutional outlook, structure and eventually people’s livelihoods as in the case of agrarian change.

1.6 Case Selection: Why Malawi?

Malawi makes a good case for a study of this nature as it is one of the economies in Africa that largely depend on agriculture. Additionally, Malawi has a unique history that fits well the descriptions of an agrarian economy. From the colonial era, public sector investments and institutional reforms in agriculture were seen as crucial for the transformation of the economy, hence Malawi provides a good case of how institutions shape agrarian change. The study has further proven this fact by providing a body of literature that explains further on this claim. The Malawi agriculture has also been good case study of how development aid and development cooperation can have a direct effect on policy making and its effects on peoples livelihood. For instance, Malawi became then first country to adopt the structural adjustment program in Sub-Saharan Africa in 1981. This study will further demonstrate how these changes led to a huge shift in institutional frameworks guiding agriculture in Malawi. Furthermore, Malawi has one of the highest population densities in Sub-Saharan Africa, with only 0.23 hectares of land per person living in the rural areas - compared to 0.86 hectares in neighbouring Zambia and 0.40 hectares as a Sub Saharan Africa average (GoM, 2016). The agriculture sector in Malawi has a unimodal rainy season, which creates a

³ These four process have further been explained in this thesis and practical examples have also been given to demonstrate how the changes in institutions in Malawi corresponds them.

major challenge to agricultural productivity. For instance the National Irrigation Master Plan indicated that is not well developed in Malawi with only about 6% of crop land being under irrigation (GoM, 2016); This contributes to the country being vulnerable to food crises when climatic shocks occur. Achieving national food security has, therefore, been one of the objectives of agricultural strategies since independence. In Malawi, national food security is mainly defined in terms of access to maize, the main staple food and the national food requirement is calculated in maize equivalent. Thus, even if the total food production is above the minimum food requirement, the nation is deemed to be food insecure if maize supply is below the minimum food requirement (Malindi, 2010, Mpesi & Ragnhild, 2012). This narrow understanding of food security originates from the consumption behaviour of Malawians, who have traditionally considered nsima (made from maize) as food. Unfortunately, this notion has been reflected even in policy documents, public discussions and recently huge investment into input subsidies for maize production. The nation therefore faces a food crisis if the production and supply of maize falls below the minimum required levels.

On the economic front, Malawi has a relatively stable economy, though very vulnerable to weather shocks as it is highly dependent on rain-fed agriculture. In 2017, Malawi attained GDP growth of 3.1 percent (MoF, 2018). It is reported that unfavourable weather conditions which affected production in agriculture and unstable macroeconomic conditions, particularly during the second half of the year, contributed to the subdued economic performance. This is notable from the negative growth experienced by the agricultural sector and decline in the growth rates of manufacturing, the wholesale and retail trade, which constitute the three largest sectors of the economy. However, the initial estimates for GDP growth in 2017 indicated that the economy would expand by 5.1 percent, an increase from the 3.1 percent growth rate registered in 2016 (GoM, 2018). The increase in growth was mainly expected to be driven by modest growth in the agricultural sector especially commercial agriculture and a notable expansion in the services sectors, in particular, wholesale and retail trade, information and communication and financial services. However, due to the challenges that the agriculture sector faced following the El Nino effects in the year 2016/2017 growing season, the projected growth rates was reduced from 5.1% to 3.0% (GoM, 2018). This situation reinforces the narrative that

Malawi is a highly agrarian economy since whatever happens to agriculture tends to affect the whole economy of Malawi.

Politically, Malawi has generally been a peaceful country. The political landscape is generally characterised as being tranquil since the country is one of the few in Africa that have never experienced any civil war or civil strife during its 55 years of independence. This underscores the fact that the current agrarian structure has been influenced by factors other than civil strife as is the case with other countries.

Now the three scenarios that have been presented form a basis for most of the arguments that are put forward in this paper. Firstly, that agriculture is the most important sector in any agrarian economy like Malawi; secondly that the economy is highly dependent and responsive to the agricultural sector, and thirdly the importance of institutions that are created and enforced by the state in fostering agricultural development.

CHAPTER TWO

METHODOLOGY

2.1 Introduction

The methodology used in this study was developed based on the analytical framework and also the research design of the study. The study mainly used qualitative methods in terms of data collection and analysis. Qualitative methodologies are being preferred as they provide an in-depth explanation to phenomena as they are being presented in the study. This study traces an institutional change over time and the qualitative analysis provides a better explanation to this change.

2.2 Research Design

As noted in the introduction above, study uses qualitative methodologies as regards sampling of respondents, data collection and analysis of the data. The sampling methodology, that the study shall use, shall be purposive sampling and also where applicable, a snowballing process shall be used to identify the relevant respondents. The data collection methods shall include archival research, literature review, key informant interviews and focus group discussions (FGD). As regards data analysis, the study shall use framework analysis, which is a basic qualitative data analysis technique⁴. As regards the strategy that shall be used in delivering this study, initially, all the ethical and procedural issues will be done. This will among others include getting necessary approvals from the Faculty of Social Science, from the National Archives and also probably from the Commission of Science and Technology. As regards data collection, the study will initially do a thorough and extensive review of literature but also an archival research. This will help to provide a background of the

⁴ more details of these can be found from chapter 1.7.1

issues the study will be analyzing. The archival research and literature review will directly contribute to addressing objectives number one and two of the study.

The findings from the literature and also the archives will be supplemented and triangulated with the data to be collected from the key informants and the focus group discussions. For the FDGs and the key informants, a checklist will be developed that will guide the discussions and the development of this checklist will be guided further by the gaps found in literature and the historical information from the Archives that could be gotten from the respondents.

2.3 Sampling Technique

The study mainly used two techniques to identify the respondents and these are purposive sampling and snowballing process. On the one hand, purposive sampling is a non-randomised technique in which respondents belong to predefined groups and have particular attributes or characteristics that enable detailed exploration of the research objectives. The number of people interviewed is less important than the criteria used to select them (Silverman, 2006; Blair, 2015). On the other hand, snowball sampling is a non-random and potentially biased technique in which a starting sample of respondents provides the researcher with the names of others who might participate in the study.

The initial list of informants, especially those that participated as key informants, were identified based on their prior known knowledge and experience on agrarian change and agriculture development in Malawi. This list was further broadened through a snowballing process. For the interviewees who participated in the focus group discussions, the study identified them after it liaised with the Ministry of Agriculture, Irrigation and Water Development and other established farmer groupings like National Association of Smallholder Farmers in Malawi (NASFAM). These two institutions assisted in identifying the farmer groups that formed part of the farming communities to be interviewed.

2.4 Data Collection Methods

The specific methods that were used to collect the data and to answer the research questions were as follows:

a) Archival Research

To understand the historical trends, institutional change and the main events (critical junctures) that have taken place over the past 100 years in the agricultural sector in Malawi, the study did a systematic review of some of the selected policy documents, books, reports and journal articles. These were mainly policy documents that have been developed from the beginning of the colonial period in 1891 until 2017. From the National Archives, the documents that were reviewed included the following:

1. Original correspondence within and between the government departments and personnel on issues related to land, agriculture, marketing and other agriculture policies.
2. Statutes, including ordinances and orders-in-council of the colonial period and Acts of Parliament after the independence. Additionally, the records of proceedings of the Malawi Congress Party (MCP) conferences.
3. Various policy documents, including development blueprints and political party manifestoes.
4. Sessional papers, Hansards and other reports of government
5. Various newspapers, magazines and newsletters.
6. Transcriptions and audio speeches made by state presidents at various occasions.
7. Miscellaneous reports from different organisations.

For most of the post-colonial period, especially the period 1964 to 1994, some of the important Government policies were initiated through presidential directives and statements, as such reviewing presidential speeches gave a clear overview of trends in the changes of Government policy.

b) Literature Review

The study also did an extensive review of the literature and much of it was accessed through online journal articles and from materials accessed through the Chancellor College Library, the Lilongwe University of Agriculture and Natural Resources Library, reports accessed from the Ministry of Agriculture, Privatization Commission, and individuals I interviewed as key informants who provided some documents to review. These documents included study reports, theses and books.

Additionally, contacts were made with colleagues at the University of Surrey and University of Sussex in the United Kingdom, who were in a position to share some historical data and documents on Malawi especially for the period 1891 to 1920 some of which were not available at the Malawi National Archives. Furthermore, in the course of developing this thesis, the author had a chance of visiting the University of Sussex library and interacting with colleagues from the Institute of Development Studies (IDS) during the STEPS Summer School of April 2018. This opportunity gave the author a chance to review literature which forms the bulk of material under Chapter three on theoretical framework.

Apart from archival research and literature review, the study also used other methods to collect the data as explained below.

c) Key informant interviews (KII)

These were mainly individuals who had wide knowledge on agricultural policy processes in Malawi but also on the subject of agrarian change in general. It was hoped that apart from getting insights from their knowledge and experience, the study could also connect with their networks on the subject through a snowballing process and be linked to further literature in their possession or they have knowledge of. The KII was also conducted with current and former Government staff, the experts in the academia, commercial farmers, personnel from the private sector especially those with knowledge of agriculture and its institutional reforms (refer to Annex 2 for the list of individuals interviewed). Under this process, the study interviewed 20 individuals. The information that was collected from these individuals was triangulated with what was collected from the literature and also from the focus group discussions.

Semi-structured interviews were used with selected key informants. As pointed out earlier, these were purposively sampled from the academia, private sector, government and the farming community. For a close follow-up on some issues, a snowballing process to identify further respondents was used.

Open-ended questions were asked to enable conversational interviews in order to elicit deeper insights into the issues being researched. Questions were based on several themes as outlined in Annex 1. The themes were derived from the literature on

agrarian change, institutional theory and the history of agriculture development in Malawi. The questions were designed to allow wide variations in the answers of the different respondents and therefore offered greater likelihood of a better explanation of the agrarian transition over the past 100 years. For each respondent, an interview schedule in the form of a fairly detailed list of questions was prepared based on the profile of the respondent and his or her role in matters relevant to agricultural development. An audio record of the interview was made if the respondent allowed it. Fairly comprehensive notes were also taken. Each interview was then transcribed and analyzed immediately after it was done for easy triangulation and also to help build up additional issues for the next interview.

d) Focus Group Discussions (FGDs):

FGDs were used with stakeholders at the community level especially the farmer groupings. One aspect of the study is to understand how contemporary issues like globalisation have influenced institutional change at both the local and national levels. The FDGs were therefore designed to interact with the communities to understand these institutional changes and how those changes have affected livelihoods from their perspective.

The FGDs have the advantage of providing a relatively less intimidating context to participants. This enables them to discuss freely their views and experiences; and they allow reflection on viewpoints, making individuals' ideas clearer, which results in gaining deeper insights into the issues being investigated. Under the FGDs, the study interacted with 10 farmers' groups' comprising of at least 10 farmers per session and these were done with farmers in Thyolo, Blantyre, Mchinji, Salima, Dowa and Lilongwe. The interacted with one group in Thyolo district. The main interest with this group was to understand the effects on privatization, which was a condition under the structural adjustment is having on people livelihoods in Malawi. The farmers group that the study interacted with in Satemwa used to part of the groups that were selling and transacting their business through the Smallholder Tea Authority which is now private and is mostly operating as Smallholder Tea Company under Mulli Brothers. Additionally, with this group, the study wanted to appreciate the colonial legacy as regards land demarcations in the Shire Highlands. The farmers explained how this is affecting food security and peoples livelihood but also the general relationship that exists between the farmers and the estates.

Another group in the Shire Highlands that was visited was the Shire Highlands Milk Producers Association based in Blantyre but with operations in much of the Shire Highlands. The study also appreciated the effects of privatisation as these farmers were part of the Malawi Milk Marketing which was privatised. The study also visited two groups in Salima at Ngolowindo and Siyasiya. The study analysed the effects of access to market and reforms on marketing policies mainly after the structural adjustment. These farmers emerged from a farmers club that was established as part of the Smallholder Agriculture Credit Administration (SACA), which was disbanded when credit was delinked from extension during the SAPs. At the same time institutions like ADMARC which formed part of a marketing system under SACA were commercialised. The study wanted to analyse how these cooperatives have adjusted to the changing environment and how they are responding to contemporary changes as regards agricultural marketing. The study also visited two farmer groups in Mchinji, two in Lilongwe and also two in Dowa. The interaction with these groups dwelt on a number of issues as access to land, markets and on production systems.

Resources and time were among the factors determining the sample size, the spread in space and the diversity of the farmer groups interviewed. However, this sample was enough to provide data for triangulation to validate the findings of each of the methods used.

Both the KII and FDGs used a checklist that was developed to facilitate a semi-structured interview. These interviews were done over a period of three months from April to June 2019. However, over the period of the study, which started in 2016 several key informant meetings have been held with different people. These included lecturers at Chancellor College and from Bunda College of the Lilongwe University of Agriculture and Natural Resources and other partners in the agriculture sectors were conducted.

2.5 Data Analysis methods

As already pointed out the data was mainly analyzed using qualitative data analysis techniques. The technique of choice was Framework Analysis, which is also known as thematic analysis (Blair, 2015). This system was preferred as it provides systematic and visible stages to the analysis process and is much more applicable in policy

analysis studies like the one being undertaken. The technique follows the basic stages of qualitative analysis like familiarization of data, identification of the themes, indexing (coding) of the data, charting, mapping and interpretation.

The figure below demonstrates the flow and a summary of the stages used in the data analysis under the framework analysis model.

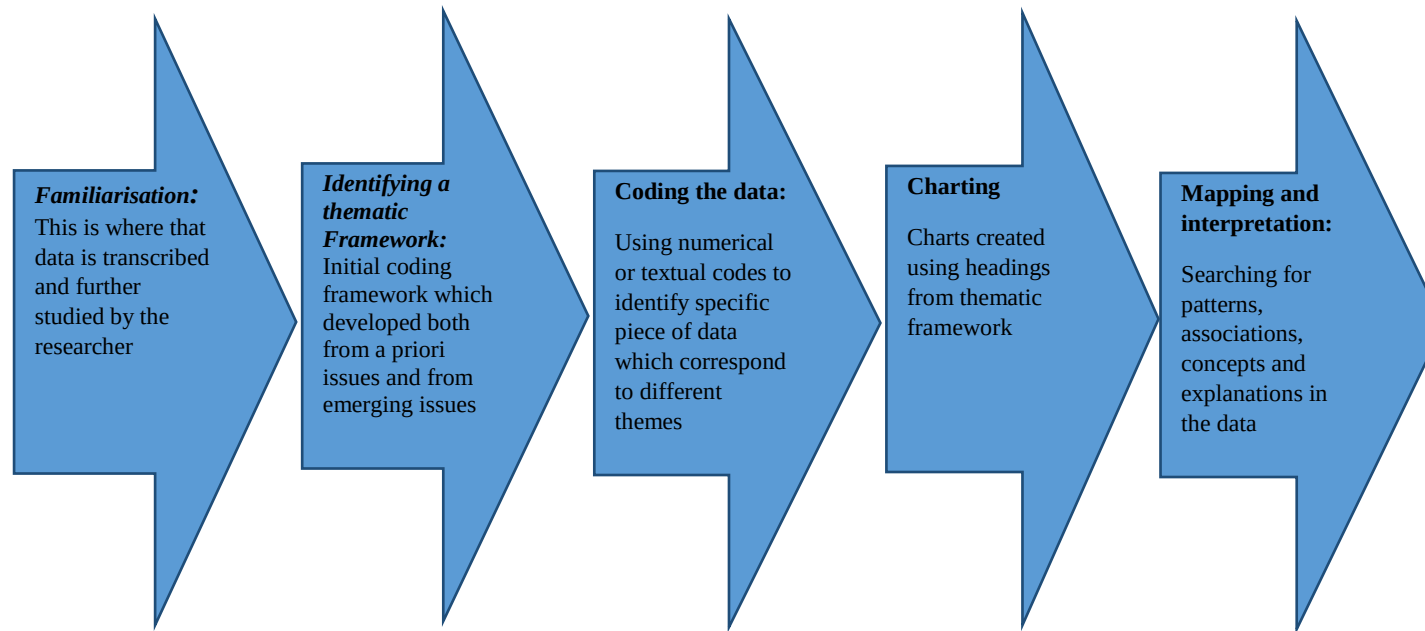


Figure 1: The flow and a summary of the stages used in the data analysis under the framework analysis model

This was mainly used on the data that was collected through the key informant interviews and FDGs. The analysis of data was a systematic search for institutional patterns of agricultural change over time especially on issues of land, markets and production. The analysis sought to establish recurrent behaviors, rules, actors and dominant ideologies that underpinned the agrarian formations in each period under review.

2.6 Ethical Considerations

In conducting this research, ethical issues were given high priority as is the case with study research of this nature. The study made sure that all ethical considerations as required by the University of Malawi have been abided by. This involved getting clearance letter from the Faculty of Social Science to conduct this research and make the necessary application processes to access the National Archives. In the design of the tools and also the process of getting the data from the informants, the following issues were followed: 1) seeking consent from the interviewee. This was done at every moment an interview was being conducted both during key informant interviews and also the FDGs. In both cases the respondents were assured of the issues of confidentiality as regards the information provided. 2) Outlining the research objectives of the study. It made sure that the respondents understood the purpose of the study and what the information they are giving would be used for. The analytical framework was used to develop questions that guided data collection and analysis of the data collected.

Ethics are thus defined as what conduct is or is not legitimate in a particular research exercise, and ethical issues require the researcher to balance between the pursuit of scientific knowledge and the rights of those being studied, those participating in the study, or of others in society (Silverman, 2006). Three ethical issues that concerned the data collection for this study were consent of the participants, confidentiality of information and disclosure of the research objective. 1) **Consent:** This refers to the permission to access materials that were to be used in developing the research study. This was sought from the relevant authorities in all the institutions that were visited including the National Archives in Zomba, in government ministries and agencies and

the farmer associations. This permission was sought from the respondents prior to their taking part in the study. 2) **Research objective:**

This was made clear to all the respondents. At each and every instance of interface with respondents or other custodians of information, it was disclosed in clear terms that the research was purely academic although its results could have some institutional and policy relevance. All the respondents gave their responses fully aware of this fact. 3) **Confidentiality of information:** Respondents were informed and assured that all information was collected on the basis of strict confidentiality and would not be used for any purposes other than academic research and then development of this thesis. As such, things like the audio records of interviews were taken only when respondents permitted. 4) **Scientific misconduct:** The conduct of the research and the development of the thesis have adhered to all legal and ethical standards required of academic researchers. Particular attention has been paid to matters of scientific misconduct, especially plagiarism and research fraud. All the individuals and institutions whose materials or ideas have been used in this work, have been fully acknowledged. 5) **Anonymity:** The study maintained complete anonymity in relation to interviews with officials from the various bureaucratic institutions that it sourced some of the research material according to their individual interests. This was partly due to other politically sensitive issues discussed in this thesis, that some of the informants were simply not comfortable to be acknowledged by name.

2.7 Limitations of the study

In terms of accessing primary data, the main challenges to the study was the limited availability of resources to travel throughout the country, especially to the northern region to get views from different farmer groups. As such, apart from Thyolo and Blantyre in the southern region, the study got the information from the vicinity of Lilongwe and the surrounding districts of Salima, Dowa and Mchinji. It is believed that the information collected is representative enough to give a clear picture of contemporary issues affecting agriculture development in Malawi. Towards the end of the data collection and analysis, the World was affected by the COVID 19 pandemic that also affected the study. It became challenging to meet up with some respondents

for supplementary interviews but also I had a limited interaction with my supervisors. This generally delayed the process of finalising this research study.

2.8 Conclusion

The chapter has introduced the study and shared the problem to be addressed and the justification for undertaking the study. The study has been wholly done in Malawi and the chapter has justified why Malawi fits to be the case study of this analysis. Furthermore, the chapter has presented in detail the methodology to be employed in the data collection and analysis and how conclusions have been made based on the objectives of the study. The following chapter presents details on the theoretical framework of the study and what the theory of historical institutionalism is all about and how it relates to other forms of institutional theory.

CHAPTER THREE

HISTORICAL INSTITUTIONALISM THEORY AND ITS RELEVANCE TO AGRARIAN CHANGE

HISTORICAL INSTITUTIONALISM

3.1 Introduction

As pointed out earlier, the study analyses trends in agriculture development and change over a period of 100 years. It analyses the institutional change in the agricultural sector in Malawi using the principles and ideas as developed in the philosophy of institutionalism. Specifically, the study based its theoretical arguments on historical institutionalism. It stipulates that the changes over these years have been institutionally determined and to understand them better, it is imperative to isolate those institutional frameworks and the critical junctures that led to their change. This chapter presents the general understanding of institutions and expounds the theory of historical institutionalism and why it is a useful framework of analysis in this study.

3.2 Understanding Institutions

Institutions are an important aspect in the governance of every society as they are instruments that bring about order and predictability in the behaviour of actors in societal and organization processes and interactions. They are not only at the core of development process in every sector of the economy but their effectiveness is also mediated by the political, social and economic factors of the environment in which those institutions operate (March, et al., 2006).

Indeed, institutions and the study thereof have become a core issue in explaining change in politics, economics and a diverse range of disciplines. Institutions are therefore generally understood as humanly devised rules of the game, the constraints that shape human behaviour and interactions (North, 1991). Other scholars have gone further to explain institutions not only as rules but also routines, symbols and other established forms of behavior that have become a norm. March and Olsen (1984) define institutions as collections of interrelated rules and routines that define appropriate actions in terms of relations between roles and situations. The process involves determining what the situation is, what role is being fulfilled, and what obligation of that role in that situation is. Furthermore, institutions provide a common reference point for all actors in a society in ensuring political legitimacy in societal structure and normativity in how those actors interact with each other. As pointed out, institutions offer some degree of predictability and they also define models of behavior and sets of protocols that are rather stereotyped and ready for immediate use (Thoenig, 2006). Furthermore, Streeck et al., (2005) defined institutions as distributional instruments laden with power implications). All human societies are thus characterised by more or less complex and overlapping networks of regular social, economic and political interactions and practices (for information see also Acemoglu et al., 2006; Chingaipe, 2010; March et al., 2008).

Institutions can also be interpreted as reflecting habits, norms and cultures, more likely to be evolved than to be created. They influence factors such as wealth, identity, ability, knowledge, beliefs, residential distribution, and occupational specialization (Grief, 2004). Grief further describes an institution as a system of human-made, nonphysical elements such as norms, beliefs, organizations and rules, exogenous to each individual whose behavior it influences that generates behavioral regularities. Institutions may also be seen as the architecture and as rules that determine opportunities and incentives for behaviour, inclusion and exclusion of potential players. At the same time, they structure the relative ease or difficulty of inducing change, and the mechanisms and modalities through which change may be facilitated or denied (North, 1991). This therefore means that a country and its development processes may succeed or fail depending on the strengths or weaknesses of the structure and interactions of its institutions. Institutions can be constraining, superimposing conditions of possibility for mobilization, access, and influence.

Institutions limit some forms of action and facilitate others (Amenta et al., 2010, 1996; Aron, 2000).

The present study seeks to critically analyse institutional frameworks that have been used in Malawi to achieve agrarian transformation in the period between 1900 and 2017. It explains the growth and stagnation of the agriculture sector and its related impact on agrarian change through the lens of institutions. The study further probes whether or not the institutional changes have indeed enforced growth and development of the sector resulting in agrarian change. The study assumes that the current state of affairs in agriculture development in Malawi can be traced from the policy decisions of the past and through an institutional historical order that those policy decisions created. Every pathway to development has a historical trail that it follows, therefore the planning of every future scenario has to appreciate these trails.

However, it has been noted in literature⁵ that interpreting the evidence of development using institutional measures is not a straight forward issue. This is the case as besides the presence of a conducive institutional order, the issues of growth and development are influenced by a number of things. These may include the cost involved in the enforcement of an institutional order, the human capacity deficiencies, the structure and the incentives of the organizations to enforce the institutional order and also at times the general lack of social capital for citizen enforcement of institutions. This has also been the case because growth literature does not subscribe to one overarching definition of economic, political, and social institutions, their processes of change, and their likely channels of influence on economic outcomes (Aron, 2000). However, this present study is of the view that investments and growth in sectors like agriculture depend quite a lot on the stability and quality of institutions, which is mainly provided by the strength and the interactions of the institutions governing them.

3.2.1 The transitions in institutional theory

The theorization of institutions has evolved over time from the initial thinking referred to as the old institutionalism to the transient thinking of rational choice theories and behaviorism and much more recently the new institutionalism. Under the old institutionalism school of thought, institutional theory mainly dwelt on four

⁵ See for example (Aron, 2000, Meyer and Hollerer, 2014, Amenta and Ramsey 2010)

philosophical thoughts of legalism⁶, structuralism⁷, historicism⁸ and holism⁹ (Grubovic, 1999; Peters, 2019). The main concern of old institutionalists was to analyse the nature of governing institutions like government and legal systems that were capable of structuring the behaviour of individuals towards better ends and collective purposes (see also Amenta et al., 2005; March et al., 2008; Ostrom, 1993). Over time, the old institutionalism has evolved to what today is known as the ‘new institutionalism’. However, the transition period from the old to the new was bridged by another transient thinking of rational choice theory and behaviorism, which was much of a departure from the holistic thinking on the influence of things like the constitution and the entire polity under the old institutions to reductionism and focus on individuals influence. The major difference between the old and the new institutionalism is that the new focuses more on rules of the game as opposed to entire organizations or the polity, on informal conception of institutions than the formal, more on the dynamic conception of institutions than the static and more on the disaggregated conception of institutions than the holistic (Lowndes, 2001; Willmont, 2014). There are a number of schools under new institutionalism but the most influential ones are political institutionalism, sociological institutionalism and the historical institutionalism, which is of interest in this study (refer to chapter 3.1).

3.2.3 Formal and Informal institutions

In earlier sections of this chapter, the study presented what formal institutions are. However, alongside the formal institutions, there are informal ones, which are understood as socially shared rules, usually unwritten, that are created, communicated and enforced outside officially sanctioned channels (Helmke & Levitsky, 2004, 2006). On the one hand, formal institutions are normally established and constituted by binding laws, regulations and legal orders which prescribe what may or may not be done. They provide the basis for the use of legitimate authority, decision making and

⁶ A strict, literal, or excessive conformity to the law or to a religious or moral code. Thus institutionalized legalism restricts free choice

⁷ A method of interpretation and analysis of aspects of human cognition, behaviour, culture, and experience, which focuses on relationships of contrast between elements in a conceptual system.

⁸ Historicism is an approach to explaining the existence of phenomena, especially social and cultural practices (including ideas and beliefs), by studying their history, that is, by studying the process by which they came about

⁹ the theory that parts of a whole are in intimate interconnection, such that they cannot exist independently of the whole, or cannot be understood without reference to the whole, which is thus regarded as greater than the sum of its parts

patterns of governance. On the other hand, informal institutions are constituted by conventions, norms, values and other accepted ways of doing things, whether economic, political or social and these are embedded in traditional social practices and culture. These informal institutions can be as binding as the formal institutions (Leftwich, 2006; Patalano, 2007; Kaufmann et al., 2018).

Informal institutions embody private forms of power and influence, and which may operate behind, between and within the formal institutions hence substantially influencing how public power is used to make or prevent decisions that benefit some and disadvantage others. The interface between formal and informal institutions is therefore considered extremely important. Helmke and Levitsky (2006) have given a description of four different ways in which the formal and informal institutions interact with each other. These ways are broadly defined as 1)

‘Complementing when they fill in gaps either by addressing contingencies not dealt with in the formal rules or by facilitating the pursuit of individual goals within the formal institutional framework, 2) Accommodating, when they create incentives to behave in ways that alter substantive effects of formal rules, but without directly violating them; they contradict the spirit but not the letter of formal rules, 3) Competing, when they structure incentives in ways that are incompatible with formal rules; to follow one rule actors must violate another’ (page 13).

Competing informal institutions are often found in postcolonial contexts in which formal institutions were imposed on indigenous rules and authority structures and 4) Substitutive, when they are employed by actors who seek outcomes compatible with formal rules and procedures. They, however, exist in environments where formal rules are routinely enforced: they achieve what formal institutions were designed for but fail to achieve. However, in all this, the key question is whether accommodating and substitutive institutions can contribute to the development of more effective formal structures or whether they crowd out such development by quelling demands for formal institutional change or creating new actors, skills, and interests linked to the preservation of the informal rules.

3.3 Theory of Historical Institutionalism

Historical Institutionalism (HI) is an approach to the analysis of the evolution and outcomes of formal and informal rules that shape the behaviour of actors in political, economic or social spheres of life (Chingaipe, 2010; James, 2009; Pierson, 2016). The theory analyses the paths taken by institutions as they transform to suit the changing institutional landscape. It is one of the new social science methods that uses institutions to find sequences of social, political, economic behaviour and change over time (Immergut, 2002; Peet et al., 2010). The theory traces its background in historical sociology and political economy, especially from the works of Karl Marx on historical materialism¹⁰, Max Weber on the methods of social science and Emile Durkheim on the rules of sociological methods (Amenta et al., 2005; Chingaipe, 2010; Sanders, 2006). Historical institutionalism was developed in part as a response to transient theories like rational choice theory¹¹ and behaviorism. These two schools of thought came in as transients between the old and new institutionalism and have common basic assumptions, which are imputism and individualism (Grubovic, 1999, Peters, 2019).

On the one hand, behaviorist assumption is that all processes and their outcomes in the society or organizations are imputed on individuals' behavior. For instance, groupings like political parties or farmer organizations do not make decisions but individuals within those groupings do and every decision taken by the group is firstly initiated by an individual. However, these decisions are made within the confines of the prevailing institutions, hence limited autonomy of individualism. As this analysis shows, the limits of individualism in as far as institutions are concerned is manifested in the fact that institutions promote more of what March and Olsen (1988) refer to as

¹⁰Historical materialism is an attempt to explain the origin and development of the society from a materialist perspective. It deals with the most general laws of social development, where it identifies material forces playing crucial roles in the formation and evolution of human societies. The most important aspect of social reality is the economic structure of a particular society; the ways in which different groups of people are related to economic resources of the society and their respective production relationships. The materialistic conception of history opposes the idealistic understanding of history and endeavours replacing it with a scientific and materialist understanding (<http://nptel.ac.in/courses/109106051/Module%203/Chapter%2026.pdf> . Accessed on 18th June 2019).

¹¹Rational choice theory is defined as the process of determining what options are available and then choosing the most preferred one according to some consistent criterion. In a certain sense, this rational choice model is already an optimization-based approach. We will find that by adding one empirically unrestrictive assumption, the problem of rational choice can be represented as one of maximizing a real-valued utility function (<https://web.stanford.edu/~jdlevin/Econ%20202/Choice%20Theory.pdf> . Accessed on 17th June 2019).

the 'logic of appropriateness' as opposed to the 'logic of consequentiality'. That is to say the achievement of individual utility is not always the reason individuals act and behave within the confines of an institutional arrangement but they do what is appropriate even at times against their own self-interest.

On the other hand, rational choice theory is mainly concerned with institutional formations as a construct of rational analyses from empirical evidence in a positivist manner as an approach for institutional choices. This is what Hall and Taylor (1996) call 'the calculus approach'. The theory promotes both a rational functionalist and instrumentalist view that actors create institutions for the purpose of serving their interests and that institutions are a means to an end and instruments tailor-made for self-gratification. This tendency points to utilitarianism of individuals involved in institutional design. They believe that there should always be a clear calculation of the outcomes and consequences of institutional change though this consequential narrative is mostly constrained by the state of imperfect information (Ostrom, 1993; Hodgson, 2012; Sato, 2013). For most rational choice theorists, institutions reflect the preferences of rational actors and that institutions do not shape outcomes independent of the interests of the actors that designed the institutions in the first place. However, these narratives run counter to other institutional schools of thought like the sociological institutionalism, which says it is actually institutions that determine people's behavior and social relations. Furthermore, sociological institutionalism does not make any attempt to determine how these institutions are formed and what forces determine their change over time (McFaul, 1999). Compared to historical institutionalism, the sociological perspective defines institutions broadly. Besides formal rules and procedures, sociological institutionalism includes symbols, moral models, and cognitive schemes. Institutions provide frames of meaning which guide human action and therefore are similar to cultural systems. It points to the fact that institutionalization is a cognitive process that models the sense people give to events or acts (Thoenig, 2006; Ermakoff, 2010).

However, historical institutionalists hold that institutions are not typically created for functional reasons, as is the case with rational choice theorists and structural functionalists and they call for historical research to trace the processes behind the creation and persistence of institutions and policies. Institutions are often implicated in both the explanations and what is to be explained (Chingaipe, 2010; Capoccia,

2016). The aim of historical institutionalism is to produce a stream and detailed empirical description of the causal chains or path dependence of the long-term development of interactions among goal-oriented actors that is, the evolution of institutions and their outcomes (Mahoney, 2016). Path dependence explains the causal relationship that exists between related events over time in the process of institutional development. However, one major thing that has been noted in this study is that all schools of institutional theory assume that higher level structures and processes affect the processes, outcomes and behaviors at the lower level. Additionally, institutional analysis tries to answer the question as how do institutions affect the behavior of individuals? This is the case as it is perceived that through the actions of individuals, institutions have an effect on political, economic and social outcomes (Hall et al., 1996; Steinmo, 2016).

The analysis in this research study is interested in assessing how institutional change in the agricultural sector in Malawi has supported an agrarian change over time. Agrarian change is a lower level outcome and the present study makes the assumption that higher level institutional arrangements have a huge effect on how agriculture performs and how a farm family's livelihood is consequently affected. The study therefore chose to present arguments in this thesis using the theory of historical institutionalism because it helps in providing a clear understanding of the links between historical trends and institutional change. The argument that development processes are path dependent has made the study believe that the current state of agriculture in Malawi is, to a large extent, the legacy of past policy decisions, institutional arrangements and their outcomes.

3.3.1 The Major Tenets of Historical Institutionalism

Literature outlines a number of ideas that could be used to provide an understanding of the theory of historical institutionalism, its origin, application and relevance in institutional theory. In this thesis, however, the study has isolated four main principles, as outlined in the proceeding sub-chapters that will help explain the theory. At the same time, it also has to be noted that some of the finer details of these principles continue to be areas of theoretical debates (Chingaipe, 2010; Hall et al., 1996) and it is the intention of this study to contribute to this debate. Therefore, from the arguments presented in this chapter and as explained through the theory of

historical institutionalism, it has shown that there are three basic ways in which institutions arise and change over time. These include result of accident, evolution and intentional intervention. These have been demonstrated further in the chapter.

a) The Role of History

The first principle is that ‘history matters’ in understanding the progression of institutional change and development. The theory notes that the legacy of the past influences the present and the future in that initial policy and institutional choices and the commitments that grow out of them determine subsequent decisions and choices (Pierson & Skocpol, 2002). As such, there develops a momentum for the initial choices to persist or to gradually change along the original thinking and intents of the institutional arrangement. This means that implementing the drastic reform, transformation, and replacement of institutions becomes a challenge. Furthermore, history matters because political events and changes in power relations take place in an historical context that directly shapes them. It is the view of this thesis that any pathway for future scenarios in institutional formations have to be determined and enforced by the current power relations and institutional arrangements. History also matters to the extent that people’s ideas at the time of designing institutions are shaped by a combination of their past experience and intended future outcomes (Chingaipe, 2010). The most recent preceding institutional order will have the greatest effect on new institutional design. This means therefore that in historical institutionalism, history is not a chain of independent events (Steinmo, 2007, 2016; Immergut, 2002) but a sequence shaped by sets of inter-dependent variables. HI is therefore interested in recognizing phases of institutional origins, development and change, and their relationship to each other over time. In explaining any institutional change, HI makes attempts to identify institutional origins, path dependency and critical junctures. It explains the dynamic equilibriums¹² and disequilibriums¹³,

¹²This is an ongoing state in which none of the actors has an incentive to defect from known institutional arrangements. In this state, the balance of interests between actors allows room for informal adaptations and developments.

¹³This is a state of unresolved competition for strategies or preferences among the actors such that decision making processes are extended beyond the norm or deferred indefinitely. This situation may stabilise into equilibrium if the interaction of decision-making processes results in actors developing and communicating changed preferences and strategies in order to form a winning coalition.

critical junctures¹⁴ and crisis¹⁵ in the process of institutional change (Annet, 2010; Altman, 2000; Howlett, 2019; Bell and Fegg, 2019). This means that the point of institutional origin and the intentions thereof are crucial in any attempt to understand institutional change that happens afterwards. Critical junctures also happen in time and also at times limited to space and it is important to understand the periods of change and where that change took place or originated because at times changes in institutions are geographically determined. Institutional change therefore must be understood and explained in the context of its time and space.

b) The Role of Politics

The second idea is that institutions are products of politics and they are humanly designed constraints on subsequent human behavior (Holden, 2006; Resnick et al., 2015; North 1991). This therefore means that in order to understand their provenance, resilience and change, there is a need to go beyond the institutional arrangements themselves and try to understand the political economy existing at the time of change (Chingaipe, 2010; Zappettini & Krzyzanowski, 2019). That will help to discover the political imperatives and relationships that were responsible for their creation and fall, those that resisted them and sought alternative arrangements, and the structural, economic and probably social context in which these processes took place. This idea therefore requires us to have a broader understanding of what politics is all about and how different actors' narratives, interests and coalitions result in political contestations and struggle for power that necessitates institutional change. This implies that the process of institutional change is a contest among actors to establish rules which structure outcomes most favorable for them in the immediate future or in the long run (Knight, 1992). In the end, it will mean that society's institutions are viewed as creations of political conflict and strategic bargaining among social actors and reflect power relations among the actors (Resnick et al., 2015). Additionally, Streeck et al. (2005) argued that rather than looked at as equilibria, institutions are

¹⁴This is a particular point in time where an event or conjunction of events provides an opportunity for the actors to pursue alternative methods of organizing or deciding. The critical juncture may be endogenously or exogenously triggered and a conjunction of events may include both endogenous and exogenous events. This point represents an opportunity to alter significantly the strategies, preferences or the formal and informal institutional structure.

¹⁵An event or action that threatens the existence of an institution. Crises arise from sudden and significant changes in actor behaviour and relationships. They are mostly endogenous since it is the actors within an institution that have the power to change the course of things even in event of an enforcing exogenous factor.

best conceived as arenas of conflict, as regimes in which both the rule-makers and other actors are often in conflict and competition. Each would want the institutional arrangements to comply and adapt to their needs and agendas.

It should also be noted that at times, the existing institutional designs do not necessarily reflect intentionality and the criteria used at the time when public policies and organizations were initially designed as these rapidly vanish with time. Political stakes and coalition games take over and determine the final outcomes (Thoenig, 2006; Zappettini & Krzyzanowski 2019; Cappossia, 2016). This mainly happens as the current actors use the existing institutional arrangement to meet existing political interests and in so doing diverting from the original institutional intent. The reason why different countries have different economic institutions must be based on politics, on the structure of political power, and the nature of political institutions. According to Leftwich (2007), institutions are never neutral as they always distribute advantage to some and disadvantage to others, creating winners and losers in the process. This means that all institutional arrangements express a mobilization bias in one particular way or another and reflect the political interests of the actors at the time of their formation. He further indicated that institutions express the ideas, interests, purposes and power of those who designed and supervise them and not usually those of the people who oppose. Institutions are therefore the object of on-going political contestation and changes on the political coalitions on which institutions rest, are what drives changes in the form the institutions take and the function they perform in politics and society. To have an in-depth understanding and application of this idea, the study outlines the political economy of the different eras to highlight the interactions and power relations of different players in shaping policy and institutions leading to or hindering agrarian transformation in Malawi.

c) The Role of Unintended Consequences

The third idea relates to the question of institutional emergence from a functionalist perspective and its change as a result of unintended consequences of institutional choices. This has of late been a subject of theoretical debate. The unintended consequences in most institutions have also contributed to the development of informal institutions alongside formal ones leading to new equilibria and formal institutional dysfunctional and consequently change. This study analyses changes in the agriculture sector in Malawi over the past 100 years and explains factors that led to those changes. Most of the institutional changes led to unintended outcomes that facilitated further changes. For instance, the Structural Adjustment Program in the 1980s and 1990s led to institutional changes in the agriculture sector but at the same time left behind challenges that are still affecting agriculture today. Additionally, the Malawi agricultural sector is still experiencing the legacy of colonial institutional formations as can be seen in the case of agricultural land in places like Thyolo and Mulanje.

In his analysis of the dynamics within the European Union budgetary policy, Lindner (2003) argues that institutions like the EU and other regional integration processes, which have a lot of actor interests, usually suffer from unintended consequences as actor preferences change over time but also that consensus at the beginning of the institutional formulation process may be facilitated by interests that do not last. As such, Capoccia and Kelemen, (2007) propose a theory of institutional development characterised by long periods of institutional stability and reproduction that are punctuated occasionally by brief phases of institutional flux during which more dramatic change occurs. Thus, once created, institutions either persist or break down in the face of an external force and changes in endogenous interests (Hay, 2002; True et al., 2007; Roland, 2011). Recent formulations go beyond the influence of external shocks and incorporate endogenous processes and variables for institutional evolution. Capoccia (2016) proposes an integrated theory of endogenous institutional development, which also compliments the theories of path dependency but more than that it makes an attempt to isolate some distinct micro foundational processes like cultural formations and change and the control over timing of reforms. It also looks further at how rule defections, reinterpretation and shifts in coalitions underpinning an institutional arrangement leads to endogenous institutional change. However, one

important thing to note about path dependency is that the stability of institutions is attributed to their influence on the resources and incentives of actors and to the development of institution-specific assets such as skills, privileges, knowledge of procedures, and networks with other actors (Capoccia, 2016, p. 4). However, Capoccia and Kelemen (2007) further adds that scholars in this tradition of analysis maintain that institutional change will more typically be endogenous, gradual, and transformative as the original function of the institution becomes more and more irrelevant. Institutional change, therefore, often reflects underlying processes of imperfect compliance, rule reinterpretation, and coalition-building among social and political actors.

d) The Role of Ideologies

The fourth idea relates to the role of ideologies in shaping the evolution and change of institutions (Beckman, 1993; Immergut, 2002; Sanders, 2006). The rationale is that ideas have framing effects on choices, negotiations and coalitions development. They become the mobilising forces for societal groups like farmer associations and other political groupings like political parties, pressure groups and civil society that often seek to create or change institutions. For the actors interested in the change or perpetuation of the existing institutional arrangements, ideas usually provide a rallying point. However, Campbell, (1998) argued that it is difficult at times to separate ideas from interests because in most cases it's the interest that drives the kind of ideas that are perpetuated. It is the dominant ideas, or ideas from powerful coalitions that define what constitute knowledge and shape the prevailing discourse. That is why at times some institutions are created to restrict other kinds of ideas, like communism in a predominantly capitalist society, from finding their foot while at the same time legitimizing dominant institutional formations.

Other explanations of institutional change based on the progression in ideologies are propagated through the theory of institutional Darwinism, which is an application of a natural science phenomenon in explaining changes in the concepts of social sciences. This has at times been used to explain how institutional change and persistence is as a result of 'survival of the fittest' in the storm of emerging ideas (Grajzl et al., 2016). Historical evolution selects the organizational forms that fit the environmental requirements and kills those that do not. However, additional attempts at

understanding the emergence and evolution of institutions was firstly made through the work of Carl Menger in 1892 (Hodgson, 2002). Additionally, through the game theory, which looks at the endogenous factors or rules that make an institution self-reinforcing as developed by Field (1984). Furthermore, this was explained by other scholars like Myerson (2013) and Saravia (2008) and the theory of spontaneous order¹⁶ as explained by Hayet (as quoted in Sartorius, 2002) and Luban (2020). However, understanding institutional change broadly by using concepts like the game theory, which looks at self-reinforcing shared beliefs and stereotypes and expected behavior from all actors based on those beliefs, have recently been challenged as failing to answer some salient questions surrounding the processes of institutional change. These theories fail to answer questions like: why and how do institutions change? How do institutions persist in a changing environment? And how do processes that they unleash lead to their own demise? As such, recent thinking has brought in the concepts of quasi-parameters¹⁷ and self-reinforcements (Greif et al., 2004).

The Mengerian approach to institutional evolution, as discussed by Hodgson, identifies three issues that lead to institutional evolution over time. Firstly, there is an assumption of a contested ‘institutionless’ set up which is presumed to exist until two individuals interact, each with his own personal interest to initiate the process of institutional formation. The state of ‘institutionlessness’ is contested because there could never be a situation where institutions of some sort do not exist. The process that enables individuals to interact is facilitated by things like languages which are institutions in their own right. However, the study is of the view that this state of affairs and the naturalist processes that follow must be contextualised to be well understood. This can be done by assuming that other institutional formations are standard and catalytic in nature at every initial process in the formation of institutions of interest, also as argued by Aoki (2001). This assumes that all institutional formations must have a perceived origin of some sort. The present study makes an attempt to understand the process of institutional formation and change in the agricultural sector in Malawi over the past 100 years and how that institutional change

¹⁶An order to which everybody contributes by acting according to the explicit or implicit rules while the selection of the rules themselves is done on a different, more aggregate level within society. The concept of evolution under this theory is underpinned in the fact that people’s behavior and their interaction with the environment change over time due to endogenous and exogenous factors.

¹⁷ The underlying factors that enforces or brings about a change in institutions

has led to agrarian change and transformation. The study assumes that at some point, no formal institutions governing agriculture in Malawi existed. The coming in of the Department of Agriculture in 1908 forms the genesis of a formal process of institutional formation, coordination and policing in the agricultural sector in Malawi. However, it has to be noted that formal establishment of agricultural institutions was either a reinforcement of existing informal institutions or a direct attempt to change or improve the existing institutions. This study therefore makes an initial assumption of 'institutionlessness' at the beginning and follow the changes from that point.

The Mengerian approach further indicates that the initial interaction of individuals then identifies further constraints in the process that necessitates the changing of the rules of interaction leading to gradual and at times a coercive and abrupt process of changes in the habits and practices of the individuals. The institutions then further facilitate or constrain extreme behaviors deviant from the norms leading to conformity of agreed norms through a downward reconstitutive effect and sustainability of the institution in question. That is, institutions facilitate the behavioral constructivism in a society or an organization. One other important thing to note in this process of institutional formation and maintenance is the role of the state. The study argues that the initial spontaneity of institutional formation at individual level is generally guided by power relations between the two individuals where the worldview of the powerful becomes generally accepted as a norm and its own policing mechanism. The state therefore has a role of playing a balancing effect. The state can facilitate institutional formation and maintenance that can bring about a reconstitutive effect into practice.

This study has made this observation of state intervention throughout the periods under review. Based on this argument, the study analyses the role of the state in the formation and maintenance of the institutions and how this role played out in agrarian transformation. Another important feature in the evolution of institutions that the study finds important is one argued by Roland (2011) on the pace of institutional change. This pace of change is also dependent on the nature of those institutions where some may change 'overnight' as in political institutions which he referred to as fast-moving and those that take time to change such as culture and he referred to them as slow moving. These kinds of trends have been noted in the agricultural sector in

Malawi over the period under review. This will further be explored in the other chapters of the thesis.

3.3.2 Application of Niche Management Theory to Institutionalism

As shall be pointed out further in chapter 6 of this thesis on the study's implications and contribution to institutional theory, the study demonstrates how development of ideological niches plays a crucial role in the management of endogenous institutional and agrarian change. The study believes that agrarian change is basically a change in institutional formations that comes through a buildup of ideologies and the altering of ways of doing things leading to changes in livelihoods of people and communities. The institutional changes that took place in Malawi that transformed the agrarian structure from the colonial era to the post-colonial era started subtly as ideas leading to major institutional and structural changes in the country. The Sustainable Niche Management (SNM) is a concept developed and promoted by the constructivist innovation scholars to explain how sustainable technologies can be developed. The approach suggests that sustainable innovation journeys can be facilitated by creating technological niches, which are protected spaces that allow the experimentation with the co-evolution of technology, user practices, and regulatory structures (Schot & Geels, 2008; Andrews-Speed, 2015; Smith & Raven, 2012). The assumption is that if such niches were constructed appropriately, they would act as building blocks for broader societal changes towards sustainable development. Niches are to be perceived as crucial for bringing about institutional or regime shifts. However, for them to bring about this shift they need a supporting environment and necessary cracks in the regime to make headways. With reference to technological niches¹⁸, Schot and Geels further points out to niches as providing a protected space that nurtures a specific set of interactions between issues, but also between actors representing these issues and function as 'proto-markets' which may jumpstart the development of market niches¹⁹. A market niche for a technology is where they become not just minor variations from the prevailing set of technologies, but differ radically from them. In the study's attempt to define niches and align them to the current debates in historical institutionalism, the study presents them as new ideas, new ways of doing things that

¹⁸ New technological ideas coming up.

¹⁹ When new ideas find space in the market or within a regime.

have not yet been accepted (institutionalised) or find a foothold within the broader existing regime or discourse but are trying to find space and weakness in the regime to stand out.

The development of technology, as put by scholars of SNM, is supposed to be conceptualised as a bottom–up process, in which new ideas emerge in technological niches, then conquer market niches, and eventually replace and transform the regime. In most cases, the emerging ideas under the prevailing regime, if they are completely going counter to the existing dominant narratives, tend to be resisted. An example in point is that of GM technology in agriculture, which despite its promise for food security, has received so much criticism and, in most cases and some countries, the consumption and use of GM technology is restricted by law. What the study has observed is that technology or an idea’s acceptance requires the presence of particular drivers²⁰ and contexts for it to present its meaning and relevance. In the same vein, institutional formations, whether formal or informal, present the contemporary order, a niche therefore becomes a new idea that is making headway to bring about change to the existing order²¹ or the rules of the game. The assumption is that through a process of niche development, they can eventually replace the dominant narrative and institutional formation in terms of set standards, skills, designs and even government regulations. However, ideological niches,²² as is the case in most institutional formation, need to successfully counter the prevailing narratives, present themselves as the new ways of doing things and present themselves as viable alternatives to the existing setup of an institution. Sometime such a process may need some form of political cover for them to take root and present a new meaning to the institution. There is also a need to look at institutional regimes as discourses. A discourse is an ensemble of ideas or narratives that bring meaning to a phenomenon (Keely and Scoones, 2003). The present study understands an ideological niche therefore as a narrative that is building itself up to become a dominant narrative so as to shape and define a discourse.

²⁰These drivers could also, in my view, be referred to as critical junctures when it comes to institutional changes.

²¹ This is what the Game theory refers to as the equilibria.

²² New ideas attempting to influence the exiting narratives and gaining legitimacy within an institutional regime.

Radical change to an institutional equilibrium before the ideological niche fully matures, probably as a result of a drastic exogenous factor, in most cases eventually suffers from unintended consequences. It results in the creation of unsustainable new forms of institutions and organizations. When an institution marginally or abruptly changes, usually individuals face the problem of which behavior to follow in the new institutional arrangement, given a situation of a multiplicity of self-enforcing behaviors that ensues. Because people do not share the expectations that some new equilibrium behavior will be followed, they are likely to rely on past rules of behavior to guide them and to continue following past patterns of self-enforcing behavior. This would be the case even when there are individuals and organizations with the ability to coordinate on new behavior. A progressively developed niche, therefore, provides some stability and a gradual adjustment of behavior. This is where progressive ideological niche development is important.

In most cases sustainable change in institutional formation requires a corresponding social change influencing cognitive frames and technological change and for this to happen, time is of essence. At times, new forms of ideas have failed to bring a change to an institutional setup as they could not stand the test of time. Niches as ideas therefore need the test of time to “mature” to bring about a change to an institutional set up. Therefore, SNM does not suggest that the authorities²³ create and impose the niches in a top down fashion but focus on an endogenous process and at times a process of co-creation of the niches by all the actors involved in an innovation system. As Smith and Raven (2012) put it, this enables learning, experimentation and modification of the space for new ideas within the regime, which consist of regime actors, niche actors and outsiders. As pointed out earlier, niche innovations are rarely able to bring about regime transformation without the help of broader forces and processes, as the eventual acceptance of an idea requires that it conquers the social and other opposing factors.

²³However, one important reason for governments to subsidise and nurture not yet profitable innovations is the expectation that they will become important for realising particular societal and collective goals in the future.

3.3.3 Conclusion

Historical institutionalism views institutions as continuities and their process of change being incremental as opposed to abrupt changes. They connect the past with the present and the future. The philosophical thinking behind this is that history is in consequence a progressive story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story. The emphasis on path dependence is another way of saying that the transaction costs (both political and social) of doing things that are completely different is almost always prohibitively high. This therefore calls for gradual transformation of existing institutions to new arrangements. In most cases, durable institutions, be it programmatic or otherwise, are partly a reflection of the real economic costs of altering them and the political costs of changing popular programmes (Grief, 1993; Hall et al., 1996; Roland, 2011; Sanders, 2006; Yu, 2001). Equally, the political costs of trying to disturb the status quo are far greater where the struggle involves many actors with diverse preferences rather than only a few with homogeneous preferences. This has recently been observed under the Farm Input Subsidy Programme, where the rigidity of reforms was mainly due to the political cost of those reforms. So, as Rhodes (2006) argues, any system that makes decision-making difficult tends toward the preservation of existing institutions. The cumulative weight of past choices, failures and successes, which help to shape actors' preferences, routines, and expectations, plus the preferences of stable majorities inhibit large-scale or relatively rapid change (Roland, 2011). Clearly, in any conception of institutions, the cost of change whether formal or non-formal and whether financial or organizational must be part of what an institution confers.

CHAPTER FOUR

CONTEMPORARY DEBATES IN AGRARIAN CHANGE AND THE AGRICULTURE INSTITUTIONAL CHANGE IN MALAWI (1900 – 2017): A REVIEW OF LITERATURE

4.1 Introduction

As indicated earlier, this study explores the institutional change in the agriculture sector in Malawi in the past 100 years and how these changes have contributed to an agrarian transformation. This chapter presents the background of the questions raised in the study and it reviews literature surrounding them. The first part of this chapter is a discussion of the link between agriculture, food security and development. It contextualizes and briefly explains how agriculture and food security are placed at the center of development, where their performance is directly linked to the development process and state of an agrarian economy. The chapter goes further to explore the concept of agrarian change, taking into consideration the classical and contemporary debates and makes an attempt to contextualize the present study in these debates. Lastly, the chapter explores the literature to present a background of agrarian change in Malawi and makes a historical analysis of events from 1900 (references have been made of the events much earlier than 1900) up to 2017 as recorded in several literature available. This was done to find out what other scholars have written on institutions and agrarian change in Malawi, to identify the gaps and to place this study within those gaps and makes its contribution to the understanding of agrarian change in Malawi and to the theory of institutionalism.

4.2 Agriculture, development and contemporary debates in agrarian change

4.2.1 Agriculture, Food Security and Development

This sub-chapter presents a conceptual linkage between agriculture, food security and development. It further explains how agriculture development indicators are directly linked to the indicators of national development. Agriculture plays a key role in the economies of most African countries including Malawi, in terms of such standard economic indicators as contribution to gross domestic product (GDP) and foreign exchange earnings, in terms of the number and distribution of people employed as farmers or farm workers, and the importance of food expenditures for poor people. In Malawi agriculture is central to the economy and people's livelihoods as it contributes about 37% to the GDP, it employs about 80% of the workforce and accounts for about 60% of all rural economic activities. At the same time agriculture constitutes about 90% of the food sources and over 70% of all export earnings (Chirwa & Dorward, 2013; Dorward et al., 2009; GoM, 2017; GoM, 2016). The potential contribution of agricultural development to economic growth and poverty reduction beyond the agricultural sector through a variety of multiplier effects has also been recognised extensively in the literature (see also Bernstein, 1990; Chang, 2007; Conway, 2012; Dorward et al., 2009; World Bank, 2007). With the majority of the population in Malawi and most developing countries living in the rural areas and directly and indirectly depending on agriculture, it remains the most powerful tool for rural development and poverty reduction. This means that investments into the agricultural sector directly benefits the poor. Studies have shown that a 1% increase in the GDP resulting from agriculture contributes about a 6% increase in the consumption and expenditure levels of the lowest 10% category of people in any agrarian economy (Conway, 2012).

Historical analysis of agrarian change has also indicated the role agriculture plays in providing surplus for capital development and agriculture remains the most powerful tool and the precursor for industrial development acting as its major source of raw materials. Literature on industrial revolution in Europe and much of Asia has

indicated that agricultural revolution always predates industrial revolution.²⁴ Recent scenarios of growth in China and most of the East Asian countries have demonstrated the role agriculture plays in development and poverty reduction. For instance, transformation of agriculture in China has hugely been responsible for the reduction of poverty from 53% in 1981 to 8% 2001 (Juma 2014; World Bank, 2007). Food is one of the basic requirements for human survival. As such, the requirement for food or some security and assurance of its presence, gives people the incentive to innovate beyond achieving food security. This idea underscores the fact that whatever happens to agriculture, the same happens to food security and development. This mutual reinforcement of progress between development and agriculture and a reverse causal relationship that also takes place between them demonstrates a clear and strong link between agriculture, food security and development.

For instance, in the case of Malawi, literature²⁵ has also shown that in the years between 2005 and 2009, the country experienced an average surplus production of maize of up to 1.5 million metric tonnes per year mainly due to the increased use of fertiliser and other inputs under the Farm Input Subsidy Programme. This was coupled with good weather during that period. This state of affairs contributed to the creation of an environment for an unprecedented growth of the economy to around 7%. However, at the same time, there was increased enrolment and less school drop out of children as the availability of food reduced the pressure on most poor families to search for food, where at times children are involved in the search for food. Related to the same issue, hunger impedes children concentration in the process of learning and this affects attendance and performance. Food availability also helped to stabilise the currency as one of the major inflation pull factors in Malawi is the availability of food (GoM, 2009). Food security and agriculture development are therefore a prerequisite for development in any agrarian society.

The share of agriculture to the GDP is also mostly used as an indicator for development of the country concerned. For instance, as reported by World Bank (2008), most poor countries display a high level contribution of agriculture to the GDP and a high labour force directly employed in the sector. It further indicates that in countries with GDP per capita ranging from \$400 - \$1,800, mostly in sub-Saharan

²⁴ For further details, refer to chapter 3.1.4.

²⁵ See Chirwa and Dorward (2015).

Africa, the average contribution of agriculture to the GDP is around 20% and an average of 43% of the labour force directly employed in the sector. As the countries develop to about \$1,800 - \$8,100 per capita income, the share of agriculture contribution reduces to around 8% and labour force to around 22% as is the case with Eastern Europe and Latin America. At the same time, in most cases, the share of labour force employed in the agricultural sector reflects the ratio of rural-urban divide and poverty levels. However, this is not always the case as in recent years other countries like Nigeria and Brazil have experienced a decline in the rural-urban ratio without much reduction in levels of poverty. In such countries there is usually high urbanization of poverty.

The present study therefore puts much emphasis on the institutional linkages among agriculture, food security and development and how institutional formation in each of the sectors affects the other.

4.2.2 Classical and Contemporary Debates in Agrarian Change

This sub-section analyses some of the broader contemporary agrarian questions made to situate the agrarian transitions in Malawi within the classical and current global debates. However, the interest is to provide a broader overview of these debates and isolate how changes in institutional formations have facilitated or hindered agrarian change. What lessons and further applications can be drawn from global debates to understand the changes in the Malawi agricultural landscape over time? This section shows that agrarian change in many parts of the world and over a long period of time has followed some historical trails with specific critical junctures along the way that facilitated change of how agriculture, the farm family and the broader economy relate to each other.

4.2.3 The Concept of Agrarian Change

Agrarian change can be generally explained as a continuous process of transformation of modes of agriculture production and livelihoods of the agricultural communities and their relationship with the broader economy from the regime of productivism²⁶ to

²⁶ The concept of productivism is the belief that measurable productivity and growth are the purpose of human organization (e.g., work), and that "more production is necessarily good".

post-productivism²⁷²⁸. These sentiments were also echoed in Ilbery et al. (1998) and Holmes (2002). This change can further be described as a shift from production centeredness to consumption, and from a predominantly agrarian era to de-agrarianization of societies. It is a socio-political process of change in characters, functions and power relations of a society whereby the conventional land-based agrarian relation is altered. Pyakuryal and Upreti (2011) describes agrarian change as a gradual process of change in social configuration (alteration in the existing relations, representation, access, control and governance) of social, economic and political context and content. Deborah Bryceson (2002) defined the process of agrarian change as a long-term process of occupational adjustment, income-earning reorientation, social identification and spatial relocation of rural dwellers away from strictly agricultural-based modes of livelihood. The present study subscribes to this definition as it provides a wider scope in what agrarian change encompasses, from issues to do directly with agricultural production and the peasant family to livelihood reconfigurations expected in the agrarian communities once the process of agricultural transformation commences. This is a transformation of traditional agriculture in a way that enhances productivity and raises the earnings and well-being of those dependent on agriculture. Furthermore, the Bryceson's definition also supports the classical Chenery model of development, which, among other things, points out that agrarian transformation is characterised by a shift from agriculture to industrial development, a steady accumulation of physical and human capital, changes in consumer demands, a decrease in family size, demographic transition and increased urbanization (Marjanovic, 2015).

The state of peasantry of a community, which is a stage before transformation happens, is mainly characterized by its familiarity with simple reproduction and mostly a subsistent way of production. The peasantry life style is further manifested in stronger community solidarities, stronger social capital and a commitment to the

²⁷ An attempt to explain and theorize changes and trends in contemporary agriculture, where the focus on agricultural production gradually shifted towards demands for amenities, ecosystem services and preservation of cultural landscapes

²⁸ This is mainly depicted by policy change (in response to such things as globalisation and other conditions and restrictions set by importing countries), organic farming, counter urbanisation, increased environmental management, the involvement of the civil society at the core of agricultural policy making, increased consumption of the country side and increased on-farm diversification of activities. Thus, post-productivist agriculture is characterised by a reduction in the intensity of farming through extensification, diversification and dispersion of agricultural production.

values of a way of life based on household and community, kin and locale and the general harmony with nature (Bryres, 2001; Ellis, 2000; Scoones, 2015, Hydens, 1980). Much of this description expresses more of what most communities still are in Malawi. The Bryceson definition of de-agrarianisation, therefore, provides a description of a clear breakaway from this state of being.

The productivist era is when agriculture is done solely for subsistence food production and where agriculture accounts to a greater degree as the center of the community livelihoods (Willison & Rigg, 2003). It is mainly a rural, subsistence and closer to nature form of production, with a predominant use of simple and primitive tools and methods of production. The era gives agriculture a hegemonic status in the society. This study has observed, despite the several institutional reforms done over time and the huge investment made to the sector, it has largely remained productivist, thus close to nature with a predominant use of primitive and rudimental implements. However, one other important thing to note that has assisted in reshaping our understanding of the productivist and post-productivist narratives of defining agrarian change has been the progressive change in the definition and understanding of what food security entails.

Over the years, there has been a progressive shift, globally, in the understanding of what constitutes food security. This shift has assisted in providing a new understanding on how to define and contextualize²⁹ both productivism and post-productivism from their predominantly eurocentrist narratives. The 1986 definition of food security developed by the Food and Agriculture Organisation of the United Nations, World Food Summit, talked of food security as the “*availability of food at all time...*” This definition provided an understanding and a description of food security in more of a productivist way amidst the Malthusian pessimism of the time. The general emphasis on availability in the definition, which in this case was mainly looking at the household level, put much focus on household production of food. However, the Amartya Sen narrative of food security added a new understanding of

²⁹ Most literatures on productivism have defined its conditions based on the pre-capitalist state of the current capitalist societies of the north mainly basing on feudal social relations and labour processes of agrarian production, and structures of political power. However, to understand this notion wider and its application to other societies there will be need to redefine and provide a context of the peasantry from other localities. Attempts have to be made to investigate peasantries through their locations in different modes of production and the social formations they shape, that is, how different peasantries are constituted through their relations with other classes and entities.

food security and it talked more of access and entitlement, pointing to the fact that food security should be defined more in terms of access to food than its availability (Sen, 1981). This provides an understanding that food can be accessed not only through production but also through other economic and social means. This shift in understanding of how to define food security also points to greater extent a shift from productivist to post-productivist narratives and schools of thought.

It has also been argued that at times it is very important to understand the pre-productivist situation, if the models and trajectories of production in productivist era are to be well understood (Willison, 2001). For instance, the pre-productivist era in Malawi was mainly characterised with gathering of non-timber forestry products for food, hunting and shifting cultivation.

However much of the discussion in this dissertation focuses on the productivist era in Malawi and whether there have been any deliberate attempts to shift to the post productivist and its driving forces. The centrality of institutional mechanisms in facilitating and fostering economic development and change over time is widely acknowledged in this dissertation.

4.2.4 Classical and Contemporary agrarian question debates

Generally, the classical debates on agrarian change and transformation dwelt mainly on three basic agrarian questions on accumulation, production and politics³⁰ (expressed by Bernstein, 1997 as quoted in Akram-Lodhi et al., 2010; Scoones, 2020). This study sees these ‘three agrarian questions’ as still being relevant and they provide the basis and a starting point for the arguments set forth by the study. For a long time, the debate about the trajectory of agrarian transformation in Southern Africa has been dominated by the question of whether and how the peasantry is going to disappear (Chiningo, 2015; Mkandawire, 1985; Scoones, 2021). Some of the questions that have been asked in these debates are whether the paths taken by capitalist societies in the north could be replicated in poor and agrarian societies of the south. Whether the pre-capitalist conditions and social formations of today’s capitalist societies (e.g feudalism) can be compared to what is prevailing in the predominantly agrarian societies of the south. Furthermore, as to whether most of the anti-

³⁰ These three agrarian questions will be explain in more details later in this chapter

imperialism movements and a turn to socialism in most African, Latin America and much of the developing world in the 1960's have facilitated development or underdevelopment of agrarian societies. The present study has therefore made attempts to situate the agrarian transformation in Malawi over the past 100 years within these debates.

Debates surrounding accumulation derives their inspiration from Marxist classical political economy and the Leninist concepts of primitive socialist accumulation (Peet et al., 2015). They suggest that agriculture has the potential capacity to produce food and non-food output and financial resources above its reproductive requirements. In the process, this agricultural surplus could be used to support the substantial resource costs of industrialisation, structural transformation, accumulation, and the emergence of capital, both within agriculture and beyond (Akram-Lodhi et al., 2010; Scoones, 2020). These debates on accumulation therefore seek to understand the extent to which agriculture can supply a surplus and meet these resource costs, the ways by which such a surplus can be appropriated to fund industrialization and accumulation. Furthermore, Bernstein (2009) arguing on Russian collectivization, shows how increased agricultural output leads to industrial and social transformation of communities and provided lessons to a non-capitalist path of development for late industrializing nations. However, this narrative of collectivization and its impact on industrialisation has also been challenged by other scholars like Karshenas (1996) who argued that the collectivization of agriculture did not contribute to Soviet industrialisation and also that of China which was similar to that of Russia and was taking place within the same period. He argued that there was no evidence of any net transfer of surplus from agriculture to industry before or after the moment of decollectivisation and other market-oriented reforms from the late 1970s. These sentiments were agreed by Nolan and White (1997) and Bramall (1993). These arguments have, however, in my view, been promoting a liberal agenda and triumphalist views of the virtues of private and capitalist farming. They claimed that much of the growth in output were mainly as a result to changes in relative prices favorable to agriculture and increased supplies of farm inputs. However, both of these arguments, do not dispute the fact that increases in agricultural output, be it from peasant collectivization or capitalist form of production, are a prerequisite and a set condition for industrialization.

These debates on accumulation, inspired by dependency theories, have continued in the recent past from the late 1970s, with the rise of neoliberal globalisation. This has assisted in facilitating accumulation through the promotion of agriculture export led strategies as a principal means of enhancing rural accumulation. At the same time, globalisation has helped in solving the question of accumulation outside of agriculture production by opening up to international financial services to aid capital formation and development of capitalism because transnational capital does not require access to surplus agricultural resources in order to facilitate accumulation (Bryers, 2006). It is therefore no longer necessary that capital re-organise agricultural production. Agrarian transition is therefore no longer a necessary precondition of the development of capitalism. (Akram-Lodhi, et al., 2010).

Attempts have been made by several countries, including Malawi to integrate local and rural markets into global economic flows and agro-food commodity chains. Increasing and intensifying integration into the global economy has been argued by neoliberals to be the most effective means of enhancing rates of accumulation in the rural economy (Akram-Lodhi et al., 2010; World Bank, 2007). However, though this is the case, it has also been counter-argued that such imperialistic tendencies have in some respects and instances introduced capitalist relations of production and dynamic processes of labour commodification in the rural economies of Asia and Africa through the use of coercion, as labour regimes were reconfigured (Mkandawire, 2006). Mkandawire further argues that 21st century imperialism promoted through globalisation has reinforced pre-existing, pre-capitalist class relations, which has sustained the state of surplus appropriation by dominant class forces from subordinate classes, particularly petty commodity producing peasant. Within the period under study, agricultural reforms were made, aiming at making agriculture contribute more to food security and development. The present study is trying to answer the question as to how agriculture and its institutional reforms performed to meet these expectations.

The other topic of debate is on production. This has its origins from the works of Lenin on imperialism and Marx on historical materialism. The debates on production explore the extent to which capitalism has developed in the countryside, the forms that it takes and the barriers which may impede it (Byres, 1991; 2006; Cotreras, 2021). Byres further notes that the critical moment in the development of rural

capitalism is the emergence of generalised rural wage labour, which is a departure from peasantry where farming is predominantly done with non-wage family labour and not driven by profit but by a labour-consumer balance. Further, this departure has for some time been propagated by the semi-proletarianisation thesis scholars. They look at the change and the reconfiguration of rural livelihoods and the peasantry from predominantly subsistence producers to petty commodity producers and micro capitalists. This generates tendencies of individualization and transformation in the purpose of farm production from production for use and household reproduction to production for exchange and accumulation (Bernstein, 2006).

Thus, these debates explore the micro political economy issues. The Chayanovian theory of peasant economy reduces the debates to the interactions of the peasant farms and the peasant families with the capitalist modes of production (Thorner et al., 1966³¹; Friedmann, 2019; White, 2018). The family farm is not dissolved by the expansion of capitalism partly due to strong communal ties, but it continues to be reproduced as capitalism brings about a transformation of the commodity chains through vertical concentration of capital (Green, 2011; Hyden, 1980). Thus, peasant farmers are partially integrated into the capitalist economy hence semi-proletarianism. This kind of interaction between the farm family and the capitalist economy influences the structural transformation of petty commodity producing peasant labour into its commodified form through both the restructuring of rural labour processes and the processes of peasant class differentiation. The question that arises, however, is whether the pre-capitalist conditions that guided the thinking and the arguments of Chayanov are comparable and applicable to the Malawian situation in terms of economic and social relations of production and peasantry class structure in general. Green (2011) further argued that the pre-capitalist organization of production in Malawi at the time the country became a protectorate was not consistent with sustainable growth of African cash crop production in the longer run and at the same time the introduction of private property rights to stimulate primitive accumulation was at the time not politically feasible as it could have faced resistance from the local leadership who generally viewed such changes as a threat to their authority.

It is also very important to understand that the peasantry is not a homogenous group and the understanding of the kinds of interaction may differ from one group to the

³¹ Thorner (1966) is a translation of the original classical work of Chayanov from Russian to English

other. For instance, the authoritative and path breaking work of Eric Wolf on peasantry in the mid 1950's provided the basis for the understanding of the modern peasant studies. It questioned the understanding of whether in the peasant social structure, the peasantry constitutes a specific single social entity. He found out that even within the peasantry there are differences in terms of formation, type and class across production and historical epoch (Wolf, 1955). However, Chayanov further argued that in every change processes taking place at the micro-level within the peasantry, it is important to understand the macro-level stimuli issues like the policies and the other institutional and structural formations as these are the major pitfalls in our understanding of the structural changes at the micro-level. These assertions by Chayanov are central to the thesis of this study.

The third area of debate on the agrarian question has been on the issues of politics and the political economy of agrarian change and is drawn directly from the theorisation of Engels (1950, orig. 1894, quoted in Akram-Lodhi et al., 2010). The debates around this classical agrarian question focus on the balance of class forces and the nature of alliances that lead to structural transformations in agrarian societies, including away from pre-capitalist forms of feudalism (Jackson, 2021). Such political questions also highlight wider forms of political mobilisation; asking, following Marx, how to transform 'class in itself' to 'class for itself' (Scoones, 2020). One recent example is the process and outcomes of the Zimbabwe land reforms where authoritarian nationalism and ethnic politics played a huge role in bringing about reform and change to an agrarian terrain. The land occupations and fast-track resettlement from 2000 were superimposed upon a complex layering of politics, land and livelihoods in rural Zimbabwe, shaped both by colonial history and post-Independence interventions. With Independence in 1980, Zimbabwe inherited a highly skewed land distribution, with the majority black farming communities being confined to the former 'reserves'. (later Tribal Trust Lands), most of which were located in the marginal agro-ecological zones (Chaumba et al., 2003; Moyo, 2011).

In countries which have or had large and marginalized peasant populations like Malawi, political formations and forces seeking social justice and human emancipation have had to explicitly seek to create and sustain alliances within the peasant population when such political formations and forces have been successful in facilitating social, political and economic change. On this debate area the study

situates its discussion more specifically on the genesis of farmer associations and cooperatives and how this formation helped to balance the class forces and class struggle and how this can be placed at the heart of the rural politics. The present study makes an assumption that issues of accumulation and production and subsequently agrarian change and transformation can shape and be shaped by rural struggle and politics.

These issues have been at the core of broad debates in agrarian change and the agrarian question focusing on labour, capital, food crisis, marketing crisis in peasant studies. Through the literature survey, the study has noted that there is a broader consensus that these debates on agrarian question need to be understood and defined within and through the world-historical conjuncture. The different forms of institutionalisation that have taken place over time have also brought in a change in the perception of agrarian questions on labour, capital and land.

Over the past few years, however, there has been a developing discourse of deconstructing these core broader debate areas into at least seven new areas of the agrarian question. As Akram-Lohdhi et al. (2010) put it, these areas include class forces agrarian question, path dependence, decoupled, global labour reserve, corporate food regime, gender and ecology. The class forces agrarian question analyses how imperialism and globalisation are altering the labour structure of the peripheral communities and how they are either changing or reinforcing the preexisting pre-capitalist relations of production. The path dependent agrarian question analyses the ongoing process of transformation of capitalist agriculture in the developing world. It is argued that imperialism has introduced capitalist relations of production throughout the world which initiated a dynamic process of labour commodification which is going on in the developing capitalist countries. The decoupled agrarian question looks at how irrelevant the issue of accumulation through agriculture surplus to initiate an agrarian transformation has become over the years. It is argued that transnational capital through globalisation is replacing accumulation through agriculture. Global labour reserve agrarian question looks at the demarcations and distribution of labour between the global north that is characterised by subsidised and overconsumption and the massive migratory labour mainly in the south. The corporate food regime agrarian question looks at the commoditization of food, movement of capital and the resistance that it has generally received from the

communities. It postulates that corporate food regime subordinates public good for private profit through free markets that exclude agrarian populations that are increasingly dispossessed. The ecological agrarian question is predicated on the proposition that the rural production process, agrarian accumulation and rural politics have ecological dynamics.

As illustrated earlier on by reference to classical debate of European feudalism and transitions to capitalism (also a change from productivism to post productivism) and further by making reference to the pre-capitalist agrarian formations in Asia especially India and Russia, agrarian change mainly entails change of the agriculture landscape in terms of more depeasantisation. However, this notion is recently challenged especially with the rise of approaches like feminism (Peet et al., 2015). These have illuminated the limits of long-held positions and procedures in agrarian political economy and continue to challenge understanding of the workings of household farms, agrarian labour processes, rural labour markets, patterns of migration and processes of class differentiation and general rural politics. Other important issues emerging in the debates of agrarian question is the issue of climate change and how it has impacted livelihoods and current patterns of labour migration and land use. It is however not the intention of this study to go into further details on this emerging issue.

4.2.5 Conclusion

This subchapter has provided the context and made an attempt to locate the broader arguments and objectives of this study within the classical and contemporary debates in agrarian change. An exploration of broader theories has been made that could explain the current state of agrarianism in Malawi. From the colonial period to present, as this study shall further demonstrate, agriculture has been at the core of Malawi's economy and the livelihood of the majority of the people and the country can thus be described as an agrarian state. The theory of historical institutionalism is thus suited to trace and explain these changes.

4.3 The agriculture institutional change in malawi (1900 – 2017)

According to this present study, Malawi's efforts on agrarian change occurred in four phases, namely colonial phase (1900 – 1964), post-colonial phase (1964 – 1979), structural adjustment phase (1979 – 1994) and post adjustment or democratic phase (1994 – 2017). This chapter therefore highlights the periods of change and identify its actors, events, ideas and their inter-relationships. It analyses the historical legacies of the political environment and how these brought about changes in the social and economic trends leading to agricultural transformation and agrarian change. These periods have distinctive characteristics that were defined by institutional changes that have happened over time.

4.3.1 The Colonial Period (1900 – 1964)

Nyasaland (now called Malawi) became a British protectorate in 1891. The Protectorate over Nyasaland was proclaimed mainly to protect the interests of the Scottish Missionaries who had established a mission at Blantyre. These missionaries and their sympathisers in the United Kingdom launched a successful campaign to persuade the government to declare a Protectorate over the Shire Highlands and Shire valley. This was done in order to stop the territorial ambitions of the Portuguese who by 1882 were advancing northwards from their settlements south of Blantyre to assert their territorial claim over what is now the southern region (Kishindo & Mvula, 2017). At the same time, the missionaries wanted the help of the British Government in protecting the Africans from slave traders who were still terrorising most parts of the Shire highlands and the lakeshore areas. However, by this time when the Protectorate was being declared, some European settler farmers had settled already growing coffee, tea and rubber on the Shire Highlands in the southern parts of the protectorate (consisting of Blantyre, Chiradzulu, Cholo (now Thyolo), Mlanje (now Mulanje) and Zomba districts). This seemingly progress in agriculture production led Sir Harry Johnston, who became the Nyasaland's first governor, to state that the Protectorate would become 'another Brazil' (Palmer, 1985). He envisaged a plantation economy based on European enterprise and capital. The role of Africans in that economy was to provide the requisite labour (Kishindo & Mvula, 2017).

European missionaries and the settlers who had followed the missionaries had begun to acquire land in the Shire Highlands in around 1870. Some negotiated directly with chiefs even though some literature reveals that it is likely that the chiefs did not fully understand the implications of redistribution of land to the settlers as they had a rather vague understanding of the concept of private property rights. Both MacCracken (2012) and Newbury (2014) indicate that some settlers also bought land from chiefs at favorable prices, however what constituted ‘adequate consultation’ or ‘favourable price’ was never defined. The question of whether African chiefs had the right to sell land or whether the transaction amounted to a sale at all was not considered important and was ignored. In most cases, these transactions were made in land for such things as a quantity of cloth, guns, brass wire, beads and bottles of brandy. This was concurred by (Pachai 1973a) who much earlier on wrote:

“For a quarter of a century before the beginning of British administration in Malawi, land had already begun to change hands. The pioneer foreigners, traders and missionaries, took advantage of the friendliness and gullibility of the people, and the looseness of interpretation of the act of exchanging gifts and information, to lay claims to vast extents of land” (P. 682)

This later led to conflicts between the chiefs and the settlers and when Sir Harry Johnstone became the Governor, most Europeans were claiming to have bought the land contrary to the narrative of the chiefs³². These claims were all assessed by the colonial administration and by 1894 the Governor had approved about 69% of them involving 1.53 million hectares of land, or 15% of the total land area of Malawi (Newbury, 2014; Pachai, 1978;). Each approved claim received an official freehold title deed, called a certificate of claim and Africans on this land were being protected by the ‘non-disturbance clause’ which stated that no existing villages could be removed or disturbed without the government permission and that no new villages could be set up without the consent of the landowner.

³² Nyasaland Times, 4 Nov. 1940 contains a conversation between Chief Mpama of Chiradzulu and Governor Sir Donald Mackenzie-Kennedy, which demonstrated this kind of misunderstanding. (MNA).

4.3.1.1 Colonial Agrarian Structural Transformation

The colonial period generally oversaw the changing structure of the agriculture production with the establishment of estates and property rights over land. There were several processes and establishment of institutions like policies and laws on land during this period. It has to be noted that this doctoral study has taken much interest on the issues of land as the distribution of land ownership is an important indicator of the access to one of the most important means of production in predominantly agrarian economies. Land distribution and tenure system are factors that help determine an agrarian structure in any community. The distribution and ownership of land in the colonial period therefore initiated a shift to institutionalised and regulated productivism and agrarian class differentiation in Malawi. Thus, the colonial period, which commenced after the establishment of protectorate rule, was the genesis of formal agricultural policies and institutions in Malawi.

Over the period the colonial administration was in power, a number of ordinances, as is highlighted later in the study, were established that provided a structural and formalised way of doing things including agriculture production with the establishment of the Department of Agriculture in 1908. The Department of Agriculture was established at the request of the white planters' community and it developed an initial formalised institutional structure for development and supervision of the agriculture sector especially the estates in its formative years.

4.3.1.2 Inter and Post-war institutional change

This study assesses events and institutional formations that have influenced agrarian change in Malawi starting from 1900 to 2017, though some references are made to earlier events. However, Chimimba (1991) and Kalinga (1993) have argued that the colonial period was not a homogenous period in terms of policy and institutional structure. This is because several landmark events like the World War II led to institutional changes especially on how agricultural extension and soil conservation, land governance, agricultural marketing structure and institutions were being carried out. The present study takes cognizance of the fact that there were indeed significant policy decisions made by the colonial Government before and after the war that

marked a huge change in how things were done. For instance, to start investing more in peasant farmers to intensify food production after the war as opposed to the inter-war period. At the same time allowing more peasant farmers participation in the growing of cash crops like cotton and tobacco. Furthermore, this was followed by extending agriculture subsidies mainly on tobacco production to African farmers on native trust land. As Kalinga (1993) points out:

“It is generally accepted that following World War II, the British Government impressed upon governors in the tropical colonies the need to concentrate upon agriculture so as to increase the production of food crops’. Thus, the emerging picture is that agricultural extension and colonial intervention could be divided into inter- and post-war periods in regard to the aims of the activities. In the former period, the main concern was to prevent erosion by reforming peasant agricultural methods. In the latter, the focus shifted towards transforming – institutionally and/or technologically – peasant production to increase yields” (p. 370)

However, Green (2009) argues to the contrary that during the entire colonial period, though there were marked changes regarding agriculture extension, what changed mainly were the strategies while the colonial policy of conservation remained the same. The war also in itself did not bring about much change on issues of governance and the structural arrangement that governed the general relationship between the African peasant farmers and the administration as most of the pre-war ordinances were still intact. The present study agrees with this argument. Additionally, Chimimba (1991) argues that though there were a number of changes after the war, some of these changes cannot be attributed to the war as a critical juncture. The processes leading to these changes started in the inter-war period, for instance, the financial reforms towards the colonies and the idea that colonies could not develop much without the support of the colonial office, had been on the agenda since the late 1930s. However, this idea was accelerated and implemented after the war with an increased investment in rural development projects and also promotion of institutional reforms and technological change for African farming systems (Cowen et al., 1998).

Additionally, as indicated by Ng'ong'ola (1983) and MacCracken, (2012) on issues of land, which are of much interest to this study, the recommendations of the Abrahams Commission³³ in 1946, after a more thorough enquiry never done before, the report recommended one of the best arrangements hitherto done on land tenure. The report pointed out the need for land redistribution to African farmers. This brought about a change in the attitude toward peasant agriculture where they were now being allowed to grow more cash crops like cotton and tobacco. The Commission also recommended that the long-term aim of land policies should be a transformation of Native Trust Land to private property, while at the same time discouraging chiefs from exercising their powers in preventing the rise of individual enterprises. Ng'ong'ola further highlighted that the report recommended the selective acquisition of private estates which were "unoccupied and uncultivated" or "occupied and cultivated by resident natives". The acquisition of private estates cultivated by resident wage labour, natives under special agreements or visiting cultivators was not recommended. The long-term goal was to promote individualization of land tenure, which was hoped to increase and incentivize investments on land (Green, 2011; Pachai, 1978). However, the idea of individualization of land was opposed by African chiefs because it was seen as a threat to communalism and even their authority.

The other factors that assisted in bringing about the observed changes after the war included the coming in of a pro-African agriculture Governor of Nyasaland, Geoffrey Colby in 1948. Sir Colby, who among others championed the redistribution of estate land to the smallholder farmers, helped in increasing the output especially of cotton and tobacco from the peasant farmers (Kettlewell, 1965; Pachai 1973a). Sir Colby was the first ever Governor of Nyasaland to publicly acknowledge that the idea of commonly held land was one of the curses of African agriculture. Additionally, the 1948/49 famine was also a crucial issue that brought about a rethink on how agriculture production was to be done (Kettlewell, 1965, p.239). The major cause of the famine was drought, however some white estate owners, among others, claimed

³³ Sir Sidney Abraham, appointed as an independent Land Commissioner with a brief to examine new ways of controlling Thangata and to advise generally on land policy wrote, *'I have reached the conclusion that the only solution is the clear-cut one of getting rid of the status of resident native and leaving him free to quit the estate or to stay there on terms satisfactory both to himself and the landlord, substituting contractual for statutory rights'* (As quoted in Ng'ong'ola 1983, p. 191). This led in 1948 to the government setting up a Land Planning Committee made up of senior civil servants to look into the question of acquisition of land for African re-settlement, and in the same year enabling legislation was passed to make this possible.

that the famine could be explained as an outcome of increased tobacco growing among the African farmers. They argued that smallholder farmers had divided too much land for tobacco growing at the expense of maize and that the organization of production was such that the two crops were in direct competition in terms of the need for land (Vaughan, 1987). At the same time overpopulation following the influx of Lomwe (then known as ‘Anguru’) people from Portuguese East Africa, which was also coupled with poor African farming systems compounded the problem. The interest in tobacco growing by African farmers came as a result of pricing systems that favoured tobacco (Green, 2011). However, as is shown later, such sentiment of linking the famine to tobacco growing were made in order to limit the smallholder participation in commercial agriculture especially tobacco production, which was seen to be in competition with estates production.

The issues outlined above were some of the determining factors for the change in agriculture policy in the post war period. The study therefore has not considered the war itself to be the only critical juncture but as just one of the events that influenced a number of policy changes in the colonial period. The study therefore critically analyses some of these events that facilitated the processes of de-agrarianisation or even re-peasantisation of the farming communities in Malawi. It assesses the role played by institutions in these processes. The study argues that the process of agrarian change in Malawi was influenced to a larger extent by the structural and institutional formations governing agriculture and development in general. Further, the study looks at the establishment commodity marketing boards like the Native Tobacco Board as to whether these promoted or hindered de-agrarianisation. Additionally, it also looks at the colonial land, agriculture production and marketing policies and how these contributed to agrarian change in Malawi.

4.3.1.3 Colonial Land Institutions and the Creation of an Agrarian Structure

The colonial land policy in Malawi established and consolidated a dual agrarian system, which generated selective pressures towards the peasantisation of rural society. This was mainly due to the fact that there was an unfair categorization of land, which left most African farmers with unfertile marginal land and most of the fertile arable land was occupied by the white settler farmers. After the establishment of the Protectorate in 1891, the promotion of export-oriented, large-scale agriculture

was a central feature of the British project for economic development in Nyasaland, given the lack of commercially exploitable mineral resources (Chiningo, 2015).

The issues of land ownership and property rights over land were therefore to be central to the achievement of this policy. However, the promotion of estates farming came with its own challenges especially for the smallholder peasant farmers as there was a shrinking access to arable land because of transfers of land from the smallholder sector to the estates. The settlers gained land in the form of private property rights (freehold) or rentals (leasehold). Further down the line the colonial Land Ordinance of 1928 gave settlers concentration of land and the means to control labour without applying coercive means and at the end most Africans became tenants on their own land (Khaila, 1992; Mandala, 1990). These ordinances were by and large aimed at ensuring the survival of the European producers, often at the expense of the productive capacities of the African farmers. Therefore, the most direct way in which European settler farmers were favored by the state was through land policies and other institutional formations like the Land Ordinances. For instance, three years after the establishment of protectorate rule, Sir Harry Johnston, Nyasaland's first governor, ceded approximately 304 000 hectares of land in the south to white settlers (Woods, 1993). In 1903, about 15 per cent of all arable land in Nyasaland had been distributed to the European companies and farmers (Mkandawire, 1985). Thus, apart from the land that the settlers 'bought' from the Africans, the colonial administration also acquired more land itself apparently on behalf of the crown. By 1893, all land (including customary land) not subject to certificate of claim, constituted 'Crown land'³⁴. Much of this land was also sold to new settlers.

Generally, the structure of land ownership was divided into European and African zones. This was especially more vivid in other settler economies like Southern Rhodesia and South Africa³⁵. The European zones often consisted of the most fertile soils, while the quality of African land was generally poor and marginal. In some

³⁴ This was defined as all public lands in the protectorate which are subject to the control of his Majesty by virtue of any Treaty, Convention or Agreement or of His Majesty's Protectorate and all lands which shall have been acquired by His Majesty's protectorate for the public service or otherwise howsoever (Pachai 1973, p.688).

³⁵ Other scholars, influenced by dependency theories have pointed out that these colonies which had a large number of European settlers are on average well off than those who have fewer settlers. This is mainly because European settlers encouraged established institutions that protected property rights and encouraged investments. (c.f. Acemoglu, Daron & Simon Johnson & James Robinson, 'The Colonial Origins of Comparative Development: An Empirical Investigation', *American Economic Review*, 91, 2001, 1369-1400)

cases, more especially in the shire highlands, Africans became tenants on the land they previously owned if they chose to remain on the land after it has been titled. Newbury (2014) indicates that though most of these white settlers had signed to the “non-disturbance”³⁶ clauses in their title deeds or certificate of claims issued to the European landowners by the colonial Government, most of them still subjected Africans to payment of the labour rent known as *thangata*³⁷. However the case of land alienation of this nature was more evident in the shire highlands as opposed to the other regions of country. The other indirect way in which the Africans were forced to become tenants on white settler farms was through the imposition of hut tax³⁸. This made most of them to move from African Trust Land to settle on private estates in order to generate the cash income needed to pay hut taxes (Mulwafu, 2002; Mkandawire, 1992; MacCracken, 2012).

In 1901, the colonial Government also introduced a differentiated tax regime that provided an incentive for migration of Africans into the settlers’ estates or to seek their fortunes abroad. Under this arrangement of a differentiated tax, the Africans who worked on estates paid three shillings per month, while others had to pay six shillings per month (Baker, 1975; Chirwa, 1997; Vail, 1984;). The Government pursued a strategy which discriminated against Africans and frustrated their efforts to participate in cash crop production. Mandala (1990) further argues that one of the reasons the colonial rulers ignored peasant agriculture was that wage labour and *thangata* tenancy system could be undermined by its vitality and the increased labour requirements of the food economy. As long as the food economy boomed, peasants could pay tax through the sale of their crops and had no need to work for a European. However, in the long run, paying ‘rent’ for land that the Africans believed was theirs but ‘bought’ for so little by the Europeans, led to conflicts between tenants and the settlers (Mandala, 1990). One such conflict culminated in a court case in which Judge Nunan

³⁶ The Non-disturbance clause gave the Africans living on the land, before the claim was made, the usufruct right on land. However, it allowed the land owners to demand rent from those who came on the land later (as in the case of the Anguru people who came from Mozambique) but due to lack of effective policing by the government and also ignorance of this right by Africans, everyone on the farm was subjected to rent, sometimes in form of *thangata*

³⁷ This was an arrangement where tenants had to work for the landlord for one month to pay off their tax and another to pay their rent – both during the crucial rainy season. However, the plantation owner’s main concern was not to extract land rent, but to assure sufficient supplies of labour. The agreements mainly were made verbally.

³⁸ A hut tax was payable by male adults on every hut in occupation, regardless of their income. Polygynous males paid tax on each of the wives’ hut.

of the High Court ruled that it was illegal for the estate owners to charge rent to the original occupants and that it was wrong to expect smallholders to cultivate their original gardens only as Pachai (1973) writes:

The significance of the Nunan judgment was that it drew attention to the serious difficulty of distinguishing between original inhabitants and later arrivals, between the protected and the non-protected estate dwellers. It also showed that the European landowners were far less concerned with rent than with labour, and reminded the policy-makers that future land allocations should consider village rights and protection rather than the individual. (p.685)

Though the findings of the Land Commission enquiry of 1915, which was instituted after the Chilembwe uprising³⁹, reaffirmed the African rights to land, nothing was done until the Land Ordinance of 1928. However, according to Green (2007), this piece of legislation was still formulated in vague and dubious terms. Every African residing on European land was legally given the right to a site, materials for a hut and a cultivable plot of land. However, the African farmers had to enter into an agreement with the landowner either to work for wages or as part of his rent, or to cultivate his plot and sell part of the crops to the landowner (Pachai, 1973, p.689; MacCraken, 2012; Ng'ong'ola, 1983). This kind of clauses made the ordinance having no dent on the previous settler-labour relationship and to some extent it formally institutionalised the previous status quo. However, it decreased the landowners' ability to exploit labour with a constant threat of eviction.

4.3.1.4 The Great Depression, Share Cropping and the Colonial Tax Regime

The Great Depression of the 1930s had a huge effect on the local economy especially on the estate sector that exported much of its produce. This came in the wake of an earlier fierce competition that the local estate farmers faced on the international market especially from Brazilian coffee farmers and also a general slump in cotton

³⁹Rev John Chilembwe led the Industrial Providence Mission at Magomero in Chiradzulo. He led an uprising against the unfair treatment of the natives in white settler land under the Thangata system. Among others, the Lands Ordinance (Native Location) of 1904 gave the white settlers the right to charge labour for rent on the inhabitants on the estates. The harsh treatment that the natives received but also the attitude of the white settlers towards the natives fuelled discontent among native Africans. Tensions were heightened and they culminated in 1915 with the Chilembwe uprising (MacCraken 2012).

prices that started soon after the First World War (Palmer, 1985). This development had a bearing on the relationship between the estate owners and tenants. During or shortly after the Great Depression, there was a huge slump in the prices of commodities like tobacco on the world market and this led to most large-scale farmers making huge losses and some of them left farming altogether and left the country after they had gone bankrupt (Green, 2011). Some of the largest landholders reduced their rent requirements to between two and six shillings in an attempt to keep their labourers, while the smaller estates found it increasingly difficult to collect labour rent. The full quota of work was therefore seldom demanded and attempts to enforce rent requirement resulted in tenants quitting the estates (Chirwa, 1997). They were obviously in need of some kind of rent in order to survive. The situation had become desperate and required a relatively rapid shift from labour tenancy to share-cropping⁴⁰ in the Shire Highlands in the late 1920s (Chirwa, 1997). However, share-cropping was introduced reluctantly. A major concern for the European settler farmers was that the introduction of share-cropping was followed by a loss in their control over the marketing process that African farmers, on both Native and Estate Land, employed a number of different measures to be able to sell their produce to whoever they liked (Green, 2012).

4.3.1.5 Dual Administrative System and the Land Question

The other form in which control over land was appropriated was through dual administrative system, which came into effect after the 1933 Native Authority Ordinance (No.13/33) and the Native Courts Ordinance (No. 14/33) (Sindima, 2002). Green (2012) indicated that, after long delays, the recommendation of the 1924 East Africa Land Commission that land held by Government as Crown Land, other than reserved for European occupants, should be converted to native trust land. This led to the organization of rural communities into Native Authorities under the local chiefs (this was also referred to as indirect rule). These two Ordinances together formalised the dual agrarian system. Through this system urban areas and the European

⁴⁰The European farmers, due to the challenges they were facing as a result of their inability to find labour, resorted to share cropping (anchor farm model) where they distributed seeds and seedlings to the farmer in the native trust land in exchange for the right to purchase the Africans crop. This kind of arrangement gave an incentive to African farmers to directly participate in commercial agriculture. Between 1923 and 1926 the number of African farmers growing tobacco under this arrangement rose from 900 to 33000. (Chirwa, 1997)

population were governed under direct rule, while Africans in rural areas were ruled by native authorities (today known as traditional authorities). In the areas governed by Native Authorities private land tenure was prohibited (Chiningo, 2015; Green, 2012). The chiefs were in charge of land distribution and every household under the Native Authority had usufruct rights to land.⁴¹ The implication of this system was that it prevented primitive accumulation within the African communities and expropriation of land by the European settlers (Peters, 2004). This kind of arrangement instead reinforced an agrarian structure that impeded any logical process of de-peasantisation of the African communities and whose legacy may still be seen today.

In Nyasaland the system of indirect rule was first implemented in 1912, but fully developed in 1933 with the legislation of Native Authority Ordinance and the Native Courts Ordinance (Green, 2011). Additionally, this was also due to the fact that no major change with regard to land tenure and administrative boundaries took place in the Shire Highlands from 1912 until the early 1930's (Green, 2011, p. 148; Vail 1984). The African farmers on Native Trust Land thus remained fairly independent because of their ability to control family labour though much of their land was marginal and poor. It has to be noted that land is one of the most important factors of production and one of the biggest determinants of progressive wellbeing of the families and communities. The colonial government put in place policies and ordinances⁴² that alienated arable land from Africans into the hands of the white settlers and this set the pace for an agrarian structure that pinned Africans to be peasants and labourers. The study shows, that these policies negatively impacted peasant farmers' production capabilities, and that the peasantry would likely have prospered and transitioned into capitalist modes of production had it not been for some harmful agricultural policies and ordinances that the colonial government strategically developed that alienated the peasants to the marginal and unproductive lands. Green (2007), however, argues that this scenario on land, holds true for the Shire highlands but it is not a reflection of the central and northern region of the country where land was not a huge challenge. However as the proceeding chapter will show, peasantisation prevailed in the central and northern regions through the control

⁴¹ The right to enjoy the use and advantages of another's property (land) short of the destruction or waste of its substance.

⁴²Natives on Private Estates Ordinance, 15/16/1928.

of entry into the market. The main cash crop in the central and much of the northern region was tobacco.

4.3.1.6 Colonial Agricultural Marketing Policies and the Process of De-agrarianisation

The previous section discussed the role that institutions on land (i.e. land ordinances and policies) played in determining the agrarian structure and its effects on the process of agrarian change in Malawi. The present section looks at how agriculture marketing policies influenced and affected the participation of African farmers in organised and lucrative markets and how this impacted on the growth and development of the African communities' livelihoods.

In the late 1970 and early 1980s, there emerged a school of thought that focused on semi-proletariat smallholder farmers who had better access to both land and labour than the average farmer but still faced challenges to break away from the state of peasantry. The question asked by scholars representing this line of thought was: why did smallholders with better than-average opportunities also remain impoverished? (see for example, McCracken, 1983, 2012; Ng'ong'ola, 1986; Mkandawire, 1999; Prowse, 2013; Good, 2016; Chirwa et al. 2005). These scholars began to look at the agricultural history of Malawi from the perspective of markets rather than production, highlighting marketing policies and their effects on the incentive structure in the smallholder sector. The argument now became that poverty among smallholder African farmers is not only as a result of land holding and structure of land ownership but also their participation on the market. The creation of marketing boards, like the Native Tobacco Board, was in part an attempt to control Africans participation in the tobacco marketing.

This perspective, in other words, focused less on smallholder farmers' access to productive resources like land but more on the structure and opportunities of exchange. The main argument was that the state, by imposing high indirect taxes on exportable crops through the creation of marketing boards with monopoly powers, created disincentives for commercial production among smallholders. This then constrained the process of capital accumulation among the smallholder African farmers (Green, 2012; Ng'ong'ola, 1986; Mkandawire 1992; Prowse 2013;

Ng'ong'ola, 1983). The present study argues that such a development forms the basis for the backwardness of the African farmers in their productivity, production systems and livelihoods. Apart from the fact that farmers were pushed off the productive fertile land, their constrained entry onto the market pushed them further to the fringes of poverty and underdevelopment.

At the same time, tax policies like the hut tax, which were structured to create incentives for smallholder farmers to work on estates and remain peasants, prohibited the African farmers from participating effectively on the market. Ng'ong'ola (1986, 1983) points out that the expansion of cash-crop production among the smallholder farmers in Malawi, was usually followed by market regulation. The first crop to be regulated was cotton with the introduction of the Cotton Ordinance in 1910. This Ordinance gave the Governor power to make rules and from time to time, for the purpose which include separation of the Africans from other cotton industry activities like importation and distribution of cotton seed to the Africans and generally the protection and control of the cotton industry. Additionally, as that high profits would have led to a reluctance among the smallholder farmers to work on the estates, the government attempted, from the beginning of the cotton expansion, to control the rising prices paid to producers. Ng'ong'ola also shows, however, that the regulation of cotton prices failed, since it was impossible to control the activities of middlemen, who bought directly from the farmers and it was only after the depression, under the revised Cotton Ordinance of 1934 that much control was imposed on cotton production and marketing. Among others, the revised Ordinance introduced a series of provisions attempted at promoting the production of the highest quality of cotton by restricting seed distribution to farmers. It introduced a licensing system for bailing, ginning and the export of lint. Additionally, controls were for the first time extended to the later stages of marketing, which did not involve African participation. The Ordinance also attempted to regularize producer prices and income by controlling the activities of licensed middlemen.

4.3.1.7 Genesis of Marketing Ordinances and Commodity Control

Classical theories of economic development, within the theories of modernization, suggest that for a path of development to be created, there are at least five prerequisites that must be fulfilled and these include (1) an entrepreneurial class

capable of undertaking risk, (2) free entry to market, (3) an adequate infrastructure, (4) transport and communication network for efficient information movement, (5) efficient input and output markets and (6) efficient financial market (Peet et al., 2015). Traditionally it is assumed that the role of Government is to maintain these conditions. However, according to Chimimba (1991), the colonial Government thought that the objectives of achieving growth and development could only be achieved through monopolistic/monopsonic government intervention. This resulted in the creation of Commodity Marketing Board and restrictive ordinances that gave unfair advantage to white settler farmers. The marketing boards were established, *inter alia*, to improve produce market and to protect the African farmers from volatile marketing conditions. However, this was more of an excuse than a justification for their establishment (Khaila, 1992; Ng'ong'ola, 1983; Smith & Lee, 2018), as these Boards were more to help the white farmers by protecting them against lower cost African farmers. As a matter of fact, they were all established due to pressure from large European farmers requiring protection from competition for market with small African farmers. For instance, the Maize Control Board established in 1946 became a cartel-like pool to which all export maize producers were supposed to sell but, in most cases, the African farmers were forbidden (Chimimba, 1991; Mzamu, 2011).

The control of agriculture marketing, in general, started with the creation of the Department of Agriculture in 1908. Before that, the Government never imposed much if any control over the agriculture produce marketing either by the African or the European farmers. The only notable Government control in agriculture was allocation of land. Much of the fertile arable land, especially in then shire highlands was allocated to the white farmers while subjecting the African farmers to marginal land, to thangata and hut tax. However, by 1910, it was now apparent that land and tax policies only were not sufficient to transfer from peasant agriculture to estates as most peasants who retained the use of their land generated enough income from their farming cultivation to pay for the hut tax. This necessitated the introduction of legislations on marketing, with the first one being the Cotton Ordinance of 1910 (MacCraken, 2012; Chimimba, 1991). The Cotton Ordinance, among others, restricted the unlicensed intermediate buyers from offering high cotton prices and so

raising the income of the peasant producers⁴³. Later on, the Government gave the monopsony in cotton marketing to the British Cotton Growers Association, which was formed in 1902. This happened when they were given absolute rights to buy cotton at a price to be determined by the Director of Agriculture through their agents, the African Lakes Corporation. Half of the net profits from these sales went to Government (Pachai, 1978; Ng'ong'ola, 1983).

In 1912, the Government introduced the Native Food Stuffs Ordinance No. 12. This was after widespread famine and it empowered the Government to restrict trading in maize and other foodstuffs. The ordinance was introduced to protect African peasants from selling their food crops to settlers and other bulk purchasers for cash. However, this ordinance could have increased the famine by hindering free movement of food stuffs from the unaffected to the affected areas (Vaughan, 1987; Nkhoma, 2020; Mzamu, 2011; Mandala, 2005).

a) Native Tobacco Board

The Native Tobacco Board (NTB) became the first marketing board in colonial Malawi. It was established in 1926 as a response to the dramatic increase in tobacco growing among smallholder farmers and tenants in the Central Region (Prowse, 2013). This made tobacco to be the second commercial crop to be regulated after cotton. McCracken (1983) claims that the establishment of the board was partly a response to the demand from the estate owners, who wanted to limit competition from the smallholders by keeping purchasing prices low and thus controlling over production of the crop. McCracken also points out that the board was a means by which the colonial government could increase revenues. This means that, by offering smallholders prices that were lower than the world market prices, the colonial state indirectly taxed the smallholders and thereby extracted large parts of smallholder farmers' profits. Furthermore, as outlined by Ng'ong'ola (1983), the government put

⁴³ The Cotton Ordinance of 1934 was introduced because the Director of Agriculture thought the free-market price of one penny per pound of seed cotton could result in earnings of 18-23 shillings per acre, which was a considerable wealth to a native to keep him away from rendering his labour to estates. However, though this law was meant to impoverish the peasants, the argument put forward in the introduction of such a law was that the prevailing prices were unsustainably high and that the natives were too immature to understand market fluctuations (*Chimimba, 1991. p 48*).

in place measures to strengthen its control of the tobacco industry by passing the Flue-Cured Tobacco Ordinance number 10 in 1936. This led to the creation of a Tobacco Control Board consisting of one government official and several members appointed by the various associations representing European tobacco growers, buyers and exporters. The main functions of the Board were to register growers, license purchasers, organize a tobacco pool and control the export of quality flue-cured tobacco from Nyasaland. Flue Cured Tobacco Ordinance was further repealed in 1937 and was replaced by the Tobacco Ordinance, which among other things changed the way tobacco was sold from direct purchases from the farmers to now being sold through auction.

However, the peasant small-scale farmers participated in the auction through the NTB, which started the direct purchase of tobacco from smallholder farmers in around 1938 (Smith & Lee, 2018). Prior to this, the farmers were selling their tobacco directly to buyers who were either exporters or their agents. However, this changed and the board had the monopsony power over tobacco marketing for smallholder farmers, where they were all expected to sell to the Board on specified grades and prices. The Board then auctioned the tobacco. After the Second World War, the NTB continued its monopoly control over the smallholder farmer's tobacco marketing. However, its functions were expanded in 1948 to include price stabilization, this followed the establishment of the Price Assistance Fund with the aim of cushioning producer prices in years of low international prices. The revenue to support this fund was raised by taxing the producers through paying less than free market price (Lee & Prowse, 2012). However, though the aim of the fund was to stabilize the prices for the farmers but in practice this never happened as the farmers were still being subjected to the volatility of the market (Kettlewell, 1965).

The regulation of markets came to include food crops after the Second World War, and by the mid-1950s marketing boards controlled the trade of most African smallholder produce. This policy was maintained throughout the late colonial period in order, *inter alia*, to increase the revenues of the colonial and postcolonial state (Chimimba, 1991; Vaughan, 1987). Thus, in the view of this study, the commodity boards created a structural barrier that slowed down the growth and development of the peasant farmers. This perpetuated the peasantry as a labour pool for the estates. Such kind of institutional formation slowed down or even halted the processes of de-

agrarianisation and made the agrarian structure in favor of the economic interests of the white farmers.

4.3.1.8 Post-War Agricultural Marketing Policy

After the war, cotton and tobacco especially flue-cured tobacco remained the most important cash crops and most of government interventions concentrated on these crops. Government policy remained that of increasing grower's confidence that there is still a market for these crops. The Government took charge of much of the marketing processes as it feared that leaving it entirely to the private traders, in such a volatile market environment, could discourage the inexperienced farmers (Kettlewell, 1965). On one hand, however, this notion of state control to protect the farmers was deceptive as the Government did not have the capacity to control the activities of the middlemen and monitor the entire market. On the other hand, the reason for the re-imposition of state control in the post-war period was the same as before, that is, to use marketing board's taxation to raise revenue for the Government and protect the economic interests of the European farmers (Ng'ong'ola, 1986).

b) Maize Control Board

The first marketing board to be introduced after the war was the Maize Control Board. This was done under the Maize Control Ordinance number 34 of 1946, which made this board to come into effect. The sale and movement of maize without the board's approval was made illegal through the provisions of this ordinance. However, such controls of the maize supply chain by the ordinance created an uncertainty of supply and at the same time the board fixed the selling price for maize at a very low price and almost doubled the price at which the board itself resold the maize to the consumers and culminated into maize supply challenges (Ng'ong'ola, 1986; Mzamu, 2011). Such miscalculated policy formation led to operational challenges of the board and added to the hunger crisis of 1949 apart from the fact that in that season there was drought. The government was heavily criticised especially by the Anglican Bishops for its control

on the maize marketing and movement such that much of the control was removed and went back to private enterprise marketing (Mzamu, 2011). However, in 1952, the Government formed the Produce Marketing Board (PMB), which further extended Government control not only on maize marketing but also to other crops like groundnuts, other pulses and rice. Additionally, through the PMB, the Government extended its control over the maize marketing processes by setting a ceiling through which an individual trader could legally deal in (Chimimba, 1991).

c) Cotton Marketing Board

As noted above, the other crop of interest to the Nyasaland Government was cotton, which was also very much controlled through a series of Ordinances that were developed during the colonial era like the Cotton Ordinance (No. 7 of 1910), Cotton Ordinance (No 16 of 1934), Cotton Ordinance (No 11 of 1949) and the Cotton Ordinance (No. 29 of 1951). These Ordinances were created over time to provide an institutional framework for the coordination and control of cotton production and marketing in Nyasaland. The Ordinance of 1951 was instrumental in the establishment of the Cotton Marketing Board, which had total monopoly over both internal and external trade of cotton from its establishment until the end of the colonial period (Ng'ong'ola, 1983; Mandala, 1982). Additionally, the state control over the marketing of cotton was further reinforced by the contract which the colonial Government had with the British Raw Cotton Commission to supply cotton. To avoid competition, private trade in cotton was abolished and the Government bought all the cotton through its licensed agents.

In 1956, the PMB merged with the Cotton Marketing Board and the African Marketing Board to form the Agricultural Production and Marketing Board and this Board retained the export monopoly and control of all these crops. This arrangement was done under the Agriculture Production and Marketing Ordinance number 11 of 1955, the Cotton (Amendment) Ordinance Number 6 of 1955 and the Tobacco (Amendment) Ordinance number 7 of 1955. It has to be noted that the intent of repealing these ordinances and creating institutions like the Boards was to provide order in how commercial and food crops were to be grown and marketed. However,

as it has been noted in the previous chapters, these Boards created conditions that generally benefited the white settler farmers at the expense of the African farmers. Thus, the process of agrarian transformation among the African farmers never really took place or was derailed by these institutions.

4.3.1.9 Agriculture Production Policy

During the colonial period, the Government introduced a number of policies and ordinances with a sole aim of improving the quality and quantity of most food and cash crops. However, as this study has so far noted, most of these policies were related either to land or marketing as these were the main factors influencing the processes of agriculture. For instance, most of the agricultural extension and conservation policies were related to land management practices. At the same time prohibition of production of certain crops like tobacco and cotton especially in the inter-war period were linked to marketing of those crops where the African farmers were only allowed to sell through the marketing boards or as an agent of the estates' owners. These commodity boards controlled the market access and pricing and by extension also controlled the production of the associated crops.

This study has identified three distinctive periods through which the development of smallholder cash crop production and marketing can be outlined. These periods include (1) from the early colonial period to the mid-1940s, (2) from the mid-1940s to the late 1960s, and (3) from the late 1960s to the late 1970s. The three periods are characterised by different trends in smallholder versus estate production of cash crops.

The period that spanned from the late nineteenth century to the early 1940s, saw the establishment of a settler community in the Shire Highlands in the Southern Region and after the mid-1920s also in the Central Region. When Malawi became a British protectorate in 1891 there was already a small group of white settlers growing coffee in the Shire Highlands. The numbers of settlers were, however, few and Nyasaland never developed into a settler colony as was case with other countries Kenya, South Africa and Southern Rhodesia. In 1921 there were 399 settler farmers (with a total population of approximately 1 200 000) and by 1931 the number had decreased to 290 and in 1945 there were only 171 settler farmers left in Nyasaland. Then great

Depression and the foreign competition, especially for coffee with Brazil, made estate commercial farming not attractive and with a country like Nyasaland that had a low imperial capital to absorb and process the locally produced raw coffee, most of these farmers left (Palmer 1986). Of interest here is the fact that the decreased estate production was paralleled by an increase in smallholder production of cash crops especially for cotton after the Second World War. By the end of the 1920s the cash-cropping smallholder sector had become the backbone of the colonial economy (Mandala, 1990). The second and third period which are mostly the post war period and the earlier post-colonial period will be discussed in much details later in this study.

4.3.1.10 The Genesis of Organised Agricultural Production

Before emergence of European agriculture in the late 1870s, Africans in Malawi were already producing crops for sale and consumption. Most of the agricultural products were being exchanged through barter and the major crops then included maize, which was introduced by the Portuguese. Other crops that were also grown included cassava, millet, groundnuts and sorghum. Tobacco (*Nicotiana rustica*) and cotton were grown for exchange (Pachai, 1973b; MacCracken, 2012). Thus, the productivist era in Malawi started well before the coming of the Europeans. However, the further influx of the Europeans with the coming in of the missionaries and also after the introduction of the Protectorate, introduced new varieties of crops like tobacco (*Nicotiana tabacum*), coffee, tea and cotton. Coffee was first planted by Jonathan Duncan in 1878 who brought three coffee plants from Edinburgh, Scotland, while commercial cultivation started in 1881. Tobacco was introduced by John Buchanan in 1889, but commercial production began in 1902 with an export of about 27 tonnes in 1904. Jonathan Duncan also brought the first tea seedlings in 1878, which all died, however, the second tea seedlings arrived in 1886 from Kew Gardens in London (Pachai, 1973, p.158). The commercial production of tea started in 1904 with an export volume of 322 tonnes by 1919. It was, however the tobacco collapse of 1928 which provided the impetus for the real emergence of the tea industry in the Cholo (now Thyolo) and Mlanje (now Mulanje) districts of southern Nyasaland (Palmer, 1986).

Export of crops like cotton started as early as 1893 when nearly 200kg was exported (Pachai, 1973b). However, there wasn't much progress in export growth until the

British Cotton Growing Association (BCGA) was formed in 1902, which was formed with an intention of boosting cotton production in the British colonies to reduce British dependence on the USA imports. This led to European cotton producers in Malawi to receive subsidies from the government. However, despite receiving these subsidies, most farmers still preferred tobacco as it was deemed more profitable as compared to cotton. This, *inter alia*, led to the establishment of the Department of Agriculture in 1908 with a bigger mandate to promote African cotton production through extension services. Thus by 1916, smallholder grown cotton and European grown tobacco were the two largest export crops. The capability of Africans in growing cotton proved wrong the prevailing thinking that Africans cannot manage to grow such crops like tobacco, coffee and tea (Pachai, 1973b, p.165).

However, despite the African farmer's success in growing cotton the production of tobacco, especially Flue-Cured, the crop remained the preserve of European producers. However, after 1923, European growers like Baron in Lilongwe distributed tobacco seedlings to smallholder farmers on condition that they sell back to the Europeans. There was a good response from Africans, to the extent that some farmers started to produce their own seedlings, producing their own tobacco and selling to other Europeans of their choice. This led to a chaotic and free for all situation in the production and marketing of tobacco (Prowse, 2014; Green 2010, 2007; Smith & Lee, 2018). This chaotic situation that ensued in the tobacco production and marketing is what led to, *inter alia*, the establishment of the NTB in 1926 and the Tobacco Control Board in 1936, which was created after the passing of the Flued-Cured Tobacco Ordinance number 10 of 1936. These Boards made sure that only graded and high-quality tobacco was sold. It controlled and regulated smallholder tobacco production and marketing. The idea of setting up the Board was supported by the settler representatives and farmers, especially those that were against the production of dark-fired tobacco by the smallholder farmers. As Ng'ong'ola (1986) reported, the NTB started registering the smallholder growers and in 1935, the Board published rules authorizing destruction of tobacco plants in smallholder farmers' gardens which were deemed excessively large. However, these rules were repealed by the British Colonial Office as they were deemed to be excessively oppressive.

4.3.1.11 *Post-War Agricultural Production Policies*

So far, the study has noted that the control of tobacco and cotton production and marketing happened to be the main preoccupations of the administration during much of the inter-war period as these were deemed to be the main cash crops and a major source of the colonial government revenue. As such the major interest of the government was to develop the white settler farmers dominated estates sector. This was seen to be the only way Nyasaland could have grown into a thriving settler economy with the development of a capitalist estates sector. As such the inter-war government policy on agriculture was mainly geared towards the development of the estates sector. Several Ordinances on land, marketing and coordination of tobacco and cotton were developed with the sole purpose of protecting the settler farmer's interest. However, after the Second World War in 1945, the government gradually started changing its policy towards the smallholder agriculture with the need to produce more food but also to supplement the loss of revenues from the Colonial Office in London, which had a lot of cash flow challenges, recovering from the war. As pointed out earlier, this was influenced by the recommendations of the Abrahams Commission report of 1946, which among other things, encouraged the distribution of arable land to African farmers. This was done in the hope that an increased participation of Africans in the production of such crops like cotton could help increase revenue for the colonial administration. The 1949 hunger crisis also revealed a lot of vulnerabilities of the agrarian economy and food security to weather. There was a need therefore to rethink how agriculture was to be done of which one of the ways was to increase investments in smallholder agriculture for increased food production but also introduction of soil and water conservation measures for drought mitigation. The acceleration in the adoption and also implementation of these policy recommendations was also enhanced with the coming in of Sir Geoffrey Colby who was very keen in seeing the growth of African agriculture. This saw a relatively increased agricultural output in the years between 1945 and 1960, with cotton experiencing a 7% growth, tobacco at 3.5% (Mandala, 1990; Khaila, 1992; Vaughan, 1987). Therefore, as further outlined by Kettlewell (1965), the post war agricultural policy emphasised on soil conservation, more domestic food production, development of a cash economy and also formulation of sound farming systems. Some of the strategies that were put in place were soil conservation techniques, early cultivation,

agriculture research and extension, credit and subsidies (especially for cotton production), control and regulation of marketing and land development schemes (Kettlewell, 1965, p.240).

Technologies like early cultivation were based on research that showed that early planting reduced the adverse effects of bad weather. With lessons learnt in the 1949 food crisis, the government justified itself in the use of force, to ensure that farmers followed these practices. As such to ensure compliance by the smallholder farmers to implement these measures, the government extension services applied coercive measures that included beatings and imprisonment for not following the recommended practices on soil conservation and early planting (Kettlewell, 1965, p.241, Mulwafu, 2002). Furthermore, in order to achieve a good extension reach, the Government also introduced a Master Farmer Scheme, where the Department of Agriculture gave preferential treatment and incentives to master farmers. These incentives included a brief training course, access to extension services that was ordinarily given to white farmers, a subsidy of some kind on some crops and implements⁴⁴ and priority for the sales to marketing Boards (Green, 2009; Kalinga, 1993; Masangano, 1997; Vail, 1984). Though the scheme was positive as it intend to uplift these farmers into the class of capitalist farmer but the scheme eventually did not succeed. The master farmer scheme got entangled in the nationalist opposition and smallholder suspicion of the colonial government, where these master farmers were seen as traitors (locally called '*Akapilikoni*') by the local communities (Sindima, 2002).

The general argument and observation of this study is that agriculture production policies did not contribute significantly to the formation and maintenance of the agrarian structure as opposed to land and marketing policies. Although some agricultural production policies were oppressive and also forbade African farmers from growing some crops like dark-fired tobacco, it is the marketing of these crops through the Boards that were more restrictive and helped in creating a class structure and an economic gap between Africans and the white settlers. The following subchapter presents how the processes of institutionalization in the agriculture sector impacted agrarian change in the post-colonial period.

⁴⁴ From 1952, the Government sold farm implements (ox-drawn farm carts, ploughs and ridgers) and fertilizer to master farmers at subsidised prices.

4.3.2 The Post-colonial Period (1964 – 79)

Nyasaland became an independent country of Malawi on July 6, 1964 after being under British colonial rule for 73 years (1891-1964). The end of colonialism brought about a number of changes in as far as the management of institutions of the state like the Parliament and the general government bureaucracy were concerned. However, the end of colonialism did not bring about an instant historical break in as far as agricultural institutions and sector growth were concerned. At the same time, much of the rhetoric of Dr. Hastings Kamuzu, who had total control of the economy during this period, with patrimonial authority, depicted a continuation of a colonial legacy of orienting the economy towards capitalism⁴⁵ and the estate sector (Cammack & Kelsall, 2011). This was against a background of the wave of change towards socialism that was also taking place at the time in some independent African countries like Tanzania, Humanism in Zambia and Marxism in Mozambique (Kayuni, 2011; Sindima, 2002; MacCracken, 2012; Thomas, 1975; Pike, 1968; Kayuni & Tambulasi, 2010).

Furthermore, other scholars like Jonathan Kydd (1984) and David Chiningo (2015) have shown that the distribution of land in favor of the estates was reinforced after independence despite the general post colonial rhetoric of promoting the smallholder farmers. Kydd further argued that this policy had further negative impact on smallholders' access to productive resources and therefore on their capacity to increase production. Between 1973 and 1983, customary land under cultivation decreased by 40 percent, while private land and rentals (including state-owned estates) increased by 30 percent. Sindima (2002) indicated that by 1980 estates covered about 14% of all agriculture land in Malawi. Most of these estates were growing tobacco. The period from 1964 to 1979 estate sector production grew by 17 percent annually, while smallholder farmers' production grew by only 3 percent. At the same time, smallholder production of cotton decreased annually by 4.8 percent between 1970 and 1980, while tobacco grew by 3.4 percent (Christiansen & Kydd, 1982). This growth in the estates sector was also mainly as a result of the new political elite, who at the insistence of Dr. Banda, opened up tobacco estates

⁴⁵ In his address to the Malawi Congress Party Convention of 1968, Dr. Banda presented his economic philosophy which was geared towards capitalism. The Convention resolved “....*That in Malawi's own interest capitalism is the only system feasible...*” P.6 (MCP Convention Resolution 1965 – 1980) (MNA).

especially in the Central Region and the Northern and Southern Regions. This policy position was also reiterated in Chiningo (2015) as he stated:

“When Kamuzu Banda consolidated power at the end of the 1960s, the emphasis once again shifted towards participation in estate agriculture. The smallholder sector was regarded as backward, and Banda sought socio-economic modernization through the development of medium- and large-scale plantations. This essentially reproduced the dual agrarian policy of the colonial period, except that Malawians now constituted the bulk of estate owners and not merely the source of agricultural labour” (p. 107)

This therefore means that the colonial doctrine, which focused on the development of the estates sector and the progressive farmers while neglecting the majority smallholder farmers, remained in its form. Additionally, independent Malawi inherited a system where some crops like tea and flue-cured tobacco were grown exclusively by white settler farmers while crops like groundnuts, maize, cotton and other crops were grown by the smallholders. Few changes to this status quo, however, occurred in the immediate post-independence period. However, much of the foundation for what constituted agricultural policy in the early years of the independence was a legacy of mostly post-war colonial policies. As Kettlewell (1965) stated:

“The fifteen postwar years in Nyasaland, 1945 – 60, represent a well-defined period covering in the main final phase of the colonial government preparation of the Protectorate for the assumption of full responsibility for its own affairs. It was a period in which the importance of agriculture to the economy of the country and the livelihood of its people was recognised and a determined attempt made to develop it. These were formative years of great significance.” (P. 229)

The colonial policies from 1945 to 1960 were re-entrenched in the hope that the same policies that were resisted because a ‘white man’ formulated them would be acceptable when the ‘black man’ commandeered them (Kettlewell, 1965). This, *inter alia*, led to schemes like the master farmer being given local names as *Achikumbi*

programme. The farmers who had followed good practices and had maintained a high yield level for at least five years were awarded with certificates by the President, who called himself as *Mchikumbi number 1*. These farmers were also visited by the President every year in his annual crop inspection tours. This was all an attempt to Africanise a European programme. Additionally, the soil conservation regulations were re-introduced, but this time persuasion was used other than force (Sindima, 2002; Khaila, 1992; Masangano, 1997). Furthermore, the Africanisation process was extended to crops that were the domain of the white settler farmers like tea and flue-cured tobacco with the formation of the Smallholder Tea Authority and the Kasungu Flue Cured Tobacco Authority. These institutions were created under the Special Crops Ordinance Number 27 of 1963.

The trend in the policy and institutional change over the period from 1891 to 1964 made this study to ascertain that institutional development and policy choices in the agriculture sector in Malawi have been path dependent. The establishment and revision of the Ordinances and other policy frameworks were building on one another following the political and economic changes taking place on the ground. It has been demonstrated that Malawi agriculture policy choices have over time been influenced by the lessons and the experiences of the previous policy outcomes. Further details of the post-colonial era are presented as part of the research findings in Chapter 5.

4.3.3 The Structural Adjustment Period (1979 – 1994)

The period between 1979 and 1994 is what this study refers to as the reform period. This period was characterised by several structural changes in the economy including changes to the institutional frameworks that governed agriculture in Malawi. Most of these changes were influenced by the IMF and World Bank's Structural Adjustment Programme, which was inspired by the neo-liberal philosophy and were meant to reduce Government interventions in the economy. This kind of thinking worked in direct conflict to the Keynesian approach of the Government in the colonial and post-colonial periods where Government directly controlled the production and mainly marketing institutions of agricultural commodities. By the end of the 1970s, Malawi faced an economic crisis whose remedies, *inter alia*, marked the beginning of a major transformation of its agricultural policies. Some of the changes which are of interest to this study were the liberalisation of agricultural markets, removal of agriculture

subsidies and privatization of state-owned enterprises among others (Cornia et al., 1987; Chirwa, 2001; Harvey, 2005; Peet et al., 2015; Mkandawire, 1999; Vries et al. 2015; Mkandawire & Soludo, 1998).

This section of the present chapter provides an overview of some of these changes like the removal of subsidies in agriculture and the liberalisation of the markets which, among others, led to the removal of ADMARC's social functions. These reforms were also extended to other subsectors of agriculture like extension and research services. However, it is not the intention of this study to look at these. This chapter analyses how these structural changes contributed directly or indirectly to agrarian change in Malawi starting from the period from 1979 to 1994 and beyond. Most peasant farmers in Malawi depended on the subsidised inputs and also the ready market provided by ADMARC for much of their livelihood. Structural Adjustment Programmes therefore brought about a change in areas that were at the heart of rural livelihoods in Malawi. This study assumes that the institutional reforms under the SAPs worked counter to the process of de-agrarianisation in Malawi.

In this section of the literature review, the study presents a framework for thinking about institutional design during transitions taking into consideration the amount and the pace of change that took place during the period of structural adjustment. Firstly, the preferences of the powerful and influential institutions like the IMF and the World Bank are important determinants of outcomes regarding institutional design at the national level. In an earlier section of this thesis (Chapter 3.3.1), the study discussed the role of politics in institutional change and how politics at times overrules rationality. Secondly, it was observed that rational actors are not fully capable of making choices that serve their interests during times of radical change. This can be as a result of availability of information where uncertainty clouds their calculations. Thirdly, path dependency matters. Once a design has been selected, the new institution can act to reshape preferences and power in ways that will help sustain the institutional arrangement even if this set of rules no longer serves the interests of those who designed it (Macfaul, 1999; Pierson 1998).

4.3.3.1 Background to Structural Adjustment Programs

During the 1970's and 1980s, most of the countries in Latin America, Eastern Europe and Africa, that had different forms of governments and ideologies, found themselves trapped by levels of debt to international public and commercial banks, which were far beyond their capacity to finance. Much of this crisis started as a result of the OPEC oil price shock in 1973-1974 after an embargo on oil exports imposed by the middle-eastern countries (Harvey, 2005; Ndulu et al., 1999; Riddell J.B, 1992). These countries that were facing an economic crisis came to depend on IMF and World Bank approval to persuade commercial banks to reschedule their debts and maintain lines of commercial credit. Across several continents, state economic policies required the external approval of the international receivers, the IMF and the World Bank (Cornia et al., 1987; Williams, 1994). The Structural Adjustment Programs (SAP) were initiated in response to the recession and the seemingly unsustainable balance of payment problems that beset most developing economies.

4.3.3.2 Structural Adjustment Definition and Strategies

Structural adjustment programme is defined as a purposeful and coherent set of policies involving economic adjustment. It can also be understood as a process of adapting an economy to live within its means (Cornia et al., 1987). This basic definition provides the basis for arguments in this section as a demonstration has been made showing that failure of the structural adjustment to extend the reforms to political institutions led to a collapse of the economies and mostly the agriculture sector and people's livelihoods. It has to be noted that it is through political institutions like parliaments where decisions on resources allocations, reforms on policies and laws are done. Structural adjustment has had a huge impact on agrarian change in Malawi through the changes it brought to agricultural marketing institutions and processes, extension services, subsidies and others.

As for its overall strategies, the programme involved two complimentary strategies which were stabilization policies supported and monitored by the International Monetary Fund and the Structural Adjustment Policies supported and monitored by the World Bank (Cornia, 1987; Harvey, 2005; UNDP, 1996;). On the one hand, the stabilization policies induced adjustment mainly through demand effects. They were

designed to reduce deficits in external and domestic budget. They involved fiscal and monetary restraint and devaluation, which reduce domestic demand for imports and for exportable goods so as to reduce the trade gap. Their main aim was to reduce aggregate demand, thus cutting down on expenditure. On the other hand, the structural adjustment policies were mainly supply-side policies designed to change the structure of the economy so as to improve the economies international competitiveness and resources use but at the same time improve its productivity. These policies attempted to permanently change relative prices of tradable to non-tradable goods in the economy, in order to reallocate or help along reallocation of production factors in accordance with the new set of external and domestic economic conditions (Cornia, 1987).

As shown in literature⁴⁶, these policies can be presented through three categories: 1) *Expenditure-reducing policies*, whose aim was to curtail demand (domestic resources use). These policies are the conventional tools of demand management. As demand for the exports and imports falls, the trade balance improves because imports are reduced and domestically produced goods are freed for exports. 2) *Expenditure-switching policies*. These aimed at shifting productive resources (labour and capital) from the non-tradables to the tradables goods sector and from consumption to investment. This was achieved through the manipulation of the relative prices of the tradables against the non-tradables goods which is expected in return, to divert productive resources from the latter to the former where they can be produced for export or substitute for exports. 3) *Institutional and Policy reforms*. These included such policies as trade liberalisation, reduced role of state in the economy, fiscal reforms, privatization, reform of the financial institutions, reduced exchange controls, prices reforms among others. These reforms are what are strongly promoted by the IMF and World Bank in recent years and much more within the period under review by this study. These can be broadly characterised as market-oriented and outward-oriented and are believed to speed up development by increasing overall efficiency, by improving incentives and production responses to market signal and stimulating savings, investments and exports.

To achieve these at country level, the World Bank introduced two adjustment lending instruments, which were Sector Adjustment Loans (SECALs) and Structural

⁴⁶ See for instance, Cornia, 1987; World Bank, 1985

Adjustment Loans (SALs). On the one hand, the objectives of SECALs were to fund imports, to support comprehensive policy changes and institutional reforms in a specific sector. Their focus was on major sectoral issues and investment programs, especially incentive frameworks i.e. tariffs, prices and taxes, and institutional capability. This was mainly in those countries lacking administrative and political capability to formulate and implement comprehensive economy-wide structural adjustment programs (World Bank, 1985). On the other hand, the objective of the SALs was to fund general import subject to a negative list of prohibited imports and to support, through a series of loans, specific policy changes and institutional reforms to achieve efficient use of resources and contribute to a sustainable balance of payment in the medium to long term, while maintaining growth (World Bank, 1985). The focus of these was on major macroeconomic issues, as well as major sectoral issues covering several sectors. In both cases, an agreement was reached between the borrowing Government and the Bank on specific measures of reform and progress was monitored to form the basis for the release of funds (World Bank, 1985).

From this literature, the study shows that the SAPs were introduced with good intention of stabilizing most of the then so called 'third world' economies that were passing through a huge economic crisis. However, the challenge could be the nature in which these reforms were implemented, which at times was coercive and countries that were going through a crisis succumbed to terms they knew were not in their interest. These changes led to several devastating consequences for most of these countries. Talking of unintended consequences of institutional designs and change, Pierson (1998) affirms that even if the institutional designers do act instrumentally and do focus on the long-term effects, unanticipated consequences are likely to be widespread. On the same, other scholars like Bernstein (1990) have argued based on the politics underpinning the role of IMF and World Bank that their main role is the construction, regulation and support of a world system where multinational corporations trade and move capital without restrictions from national states. The SAPs therefore may have been shrouded in the politics of imperialism and supported the capitalist ideology of 'rolling back the state'. The general ideology of structural adjustment therefore necessarily favours some classes against others, above all capital against labour.

4.3.3.3 The Structural Adjustment Programme in Malawi

The world-wide economic crisis also affected Malawi. This led to a slow growth of per capita GDP in the late 1970s and severe budget deficits in the early 1980s, along with decreasing exports and increasing import needs (Kydd et al., 1986). This necessitated policy-makers in Malawi to undertake policy reforms in order to improve economic growth. In 1981, Malawi became one of the first countries in the Sub-Saharan Africa to adopt the reforms under the structural adjustment, which grew to be the biggest program in the mid-1980s. Over the period from 1981 to 2000, Malawi had seven Structural Adjustment Loans (Chirwa, 1998; Harrigan, 1988; Harrigan & El Said, 2000; Kydd, 1988; Peters, 2006). Among the several sector specific loan packages that Malawi obtained, one of them was the Agriculture Sector Adjustment Credit (ASAC), whose main objective was to increase efficiency and improve incomes of smallholder farmers, increase efficiency of land use and protect the environment, and improve the macroeconomic environment through further import liberalisation and public expenditure restructuring. The sector policy instruments involved included smallholder price adjustments, liberalisation of fertilizer marketing, removal of subsidies, liberalisation of burley tobacco, and adjustment of estate rents in the mid-1990s (Chinsinga, 2010; Peters, 2006). However other adjustment conditionalities that directly affected agriculture and are of interest to this study was the privatisation of some institutions that supported the agriculture sector. Market liberalisation policies, as a major part of the policy reform package, were focused primarily on providing a competitive price environment for the agricultural outputs produced (Govindan & Babu, 2001; Sahn & Arulprapasam, 1991). At the same time, these functions were predominantly performed by the Agricultural Development and Marketing Corporation (ADMARC), a parastatal organization that was established in 1971. The overall objectives of these structural reforms were to rationalise agricultural input and output pricing through restructuring agricultural and marketing institutions. Since the turn of the 1980s, therefore, the agricultural policy framework had been shaped by the ideological intent of SAPs.

4.3.3.4 Some Specific Reforms for the Agriculture Sector and their impact on agrarian change

a) Removal of Agricultural Subsidies

As earlier on stated in Chapter 4.2.2, agriculture subsidies have been part of Malawi agriculture for a while. The Government provided subsidies to growers of strategic crops like cotton, tobacco and maize⁴⁷ to boost their productivity. As pointed out in Kettlewell (1965), fertilizer use in Malawi on smallholdings has always depended on subsidies, especially in densely populated areas where monocropping was normal.⁴⁸ However, according to Kettlewell, despite these subsidies, there was still no widespread use of fertilizers on crops like maize due to absence of credit that could enable the farmers to purchase the fertilizer beyond the subsidies but also due to the prevailing Government policy of concentrating more on master farmers.

The smallholder tobacco growers firstly used fertilizer in 1951 when it was provided for free by the NTB (Kettlewell, 1965). The subsidy on fertilizer for tobacco was introduced on trust land after noting that from 1926 to 1951 there was an annual growth in tobacco output of about 7%. The subsidy therefore was to encourage more production of the crop. After the Farmers Marketing Board (FMB) replaced the Agricultural Production and Marketing Board in 1962, it continued the function of providing, at low cost, such aids as fertilizer subsidies, as were necessary for the increased production of economic crops such as cotton, tobacco⁴⁹ and maize. The issuing of free fertilizer continued up until 1963 when it was suspended due to over production of tobacco.

Ironically, the fertilizer subsidies reflected much of donor and Government thinking that subsidies encouraged rapid growth of fertilizer use which results in increased agricultural output (Lele & Agarwal, 1989). Until the 1980s, the Bank and other donors generally supported the subsidies in the development projects they funded despite long held skepticism on their effects. Fertilizer subsidies were common in most countries and it is reported that subsidies in seed and fertilizer helped to spur the Green Revolution in Asia in the 1950s (Juma, 2011). It is also reported that in

⁴⁷ The extension of using fertilizer on maize other than tobacco and cotton came in due to the 1949 famine. This was mainly done to increase the productivity of maize which was a staple crop to create self-sufficiency.

⁴⁸ This was mainly due to the fact that in densely populated areas it was increased productivity that could lead to food self-sufficiency than increasing the areas under production.

⁴⁹ In 1962 and 1963, the FMB provided a free 90kg of fertiliser per new dark-fired tobacco barn. This was done to encourage farmers to grow tobacco and improve its quality. In 1962 and 1963, free issues amounted to 594 and 2333 tonnes, 57% and 70% respectively of the total national fertiliser consumption (GoM, 1964 as quoted in Chimimba, 1991).

countries like Indonesia, subsidies were responsible for the high adoption and production expansion rates of new varieties of rice (World Bank, 2008). The subsidies were promoted to 1) encourage learning by doing, 2) help overcome credit constraints, 3) help poor farmers, 4) maintain soil fertility, 5) offset disincentives caused by taxing or pricing policies and 6) increase output of priority crops especially those in which the country is not self-sufficient (World Bank, 1986).

As for the case of Malawi much of the resources that were used to finance the prevailing subsidy in the 1970s came from the tax that was levied on the smallholder farmers through the Agriculture Development and Marketing Corporation (ADMARC) (Khaila, 1992). The Farmers Marketing Board was reconstituted to be ADMARC in 1971⁵⁰ and, like the FMB, it was responsible for input sales to smallholders as well as providing the produce market. However, unlike the FMB, ADMARC was not explicitly mandated to subsidize inputs like fertilizer, but it did so without a direct budgetary support from Government.

However, with many of the challenges that ADMARC was facing, it became a huge challenge for it to continue extending the subsidy to the smallholder farmers⁵¹. This left Government with the huge responsibility of maintaining the subsidy. It also has to be noted that this situation was compounded by the war in Mozambique as almost all the fertilizer in Malawi passed through the ports of Nacala and Beira. The RENAMO insurgents in Mozambique disabled the rail transport and worsened the fertilizer supply. By 1982, fertilizer could not reach Malawi at all and the Government was forced to reroute the fertilizer through Durban in South Africa (Kydd, 1988). The cost of using Durban was at least four times higher than that of Beira. In addition, at Durban there was a further handling cost and an ad-valorem tax of one and half percent and this made using the port of Durban to be very expensive (World Bank, 1985).

⁵⁰ Through ADMARC Act of 1971.

⁵¹ In the 1980s ADMARC was faced with the demand that producer prices be substantially increased - first for maize, then for the major export crops. From 1983 to 1986 Malawi was a net exporter of maize, with ADMARC exports often incurring a financial loss due to the producer price being set in excess of the regional export parity price level. At the same time, it had the burden of subsidizing an extensive network of markets and employment, defending pan-territorial prices for producer goods and inputs and defending the subsidised consumer price of maize. In spite of all these, it was not relieved of the burden of its developmental activities; indeed, it was also expected to finance and manage the strategic grain reserve. The financial drain on it was worsened by the adverse international environment - deteriorating agricultural terms of trade and rapidly increasing transport costs caused by the civil war in Mozambique

This scenario led to some donors to point out that the financing of the subsidy budget by the treasury is adversely affecting the government budget. The removal of the agriculture subsidy therefore became a condition for World Bank SALs, which was motivated by the desire to reduce Government deficit. A Fertilizer Subsidy Removal Programme was embarked upon in 1983 with support of the process from donor agencies like USAID in conjunction with IDA and IFAD, with complete subsidy removal targeted for 1989/90 (Hannigan, 1998). However, it has to be noted that by this time, the removal of agriculture subsidies was already a policy of the World Bank under the SAP as some countries that were adjusting through the SALs were already in the process of reducing expenditure on subsidies, thus by mid-1980, the rates of subsidy for fertilizer in most of these countries were rarely above 30% of on-farm cost and in some cases were at 10% (Chimimba, 1991). In most of these countries, the Bank policy on the removal of subsidies was inspired by the concerns that subsidies were linked with high cost of public sector monopoly of imports and distribution, that they did not reach the intended beneficiaries and that they involved wastage and misallocation of resources (Lele & Agarwal, 1989). This brought the Bank to conclude that the cost of the subsidies exceeded the benefits thereof and so subsidy removal became a condition in many SALs. However, in the case of Malawi, the justification for the subsidy took a new twist in 1984 following a bumper harvest of maize that Malawi experienced in the growing season of 1982 – 1984. This led to ADMARC having more maize amounting to 180, 000 tonnes and this eventually became too expensive for ADMARC to maintain. The donors concluded that this bumper harvest was due to the subsidy though this bumper harvest was associated with a 2% less use of fertiliser due to the removal of the subsidy in 1983 compared to 1984 (Lele & Agarwal, 1989). The process of removing the subsidy dragged on after several defaults by the Government on the SAL conditions until 1993 when there was a zero subsidy on agriculture inputs.

b) Key Observations on the Removal of Subsidies

From the literature reviewed on the removal of subsidies as a condition under the SAPs, it's been observed that one of the objectives of the subsidies especially those on maize, was to increase food production and it had been the policy of the post-independence Government to increase the uptake and use of fertilizer in the

smallholder sector with the aim of achieving food self-sufficiency. From the 1960s and throughout the 1970s, Malawi had been a relatively food self-sufficient country and much of the increased productivity had been as a result of an increased use of fertilizers, just as noted by Chirwa (2010). However, the SAL agreement between the Government and World Bank and IMF did not provide any reference to the issues of how to maintain food supplies during the period of the adjustment, even though this was an issue that was at the heart of political leadership in Malawi. This situation led to times when the Government was in default on SAL conditionality on subsidy removal as it failed to balance up the political and the economic cost of the removal of the subsidies. At the same time, the whole process of subsidy removal found itself in conflict with several other Government policies, as Harrigan (1988) notes:

Despite the existence of the National Rural Development Programme (NRDP), donor pricing and marketing policy prescriptions were not adequately integrated into an overall macro-policy framework for the smallholder agricultural sector. Donor emphasis on rapid commercialization and diversification of smallholder agriculture conflicted with the government's priority of food security; and some policy changes were inconsistent and poorly sequenced. Inconsistencies took the form of conflicts between input and output price policy. Poor sequencing was evident in the removal of subsidies on inputs in advance of increases in the maize producer price, and in the liberalisation of export crop prices via parity pricing in advance of marketing liberalisation. These mistakes threatened both the nutritional status of the smallholder population and the marketing capacities of ADMARC (Harrigan, 1988, p.420)

Although, Govindan and Babu (2001) argued that the removal of subsidies in itself did not reduce the aggregate use of fertiliser in Malawi, however it has to be noted that the subsidy was introduced to help the poor smallholder farmers be able to access the fertilizer. Therefore, the overall consumption of fertilizer may not have changed much but there was a reduction in the per capita usage among the smallholder farmers. This was also coupled with the fact that the removal of subsidies was done simultaneously with the de-linking of agriculture credit from extension services,

which also could have enabled the farmers to access loans to get fertilizer in the absence of a subsidy. These sentiments were also echoed by Chinsinga (2010);

The SAPs inflicted heavy social burdens on the vulnerable segments of society mainly because their design did not take into account the potentially adverse effects on the poor in short and medium terms. The implementation of SAPs led to dramatic changes in the nature of the agricultural sector which until then had guaranteed food security among the smallholder farmers. The collapse of the smallholder farmer credit system as a result of the swift implementation of SAPs, combined with the removal of fertilizer and hybrid maize seed subsidies against the backdrop of a sharply devalued currency, made farm inputs virtually unaffordable to the majority of the chronically impoverished farmers (Future Agriculture Consortium, Working Paper 039, p.6)

At the same time, other reforms in the agriculture sector like the liberalisation of the market, to be discussed later in this thesis, led to, *inter alia*, the removal of the consumer subsidy and an increase of consumer prices. Additionally, the removal of subsidies reduced the adoption levels of high yielding (hybrid) maize varieties among smallholder farmers, which requires the application of fertiliser (Harrigan, 1998). Hence, the achievement of national food self-sufficiency at an aggregate level occurred at the expense of a worsening of food security and increasing poverty levels at the individual household level. The removal of subsidies also coincided with other adjustment reforms in health, education and other social services. Agriculture being the only source of income for most farmers, the farmers and most rural households were forced to follow the strategy of overselling maize immediately after harvest to meet other pressing needs and buying back later in the season at the higher consumer price. This therefore means that the reduction of producer prices and the increase in consumer prices and costs of inputs led most smallholder farmers into dire poverty and further re-peasantisation of most communities.

c) Market liberalisation and price de-control

Even though Malawi won the accolade of being the most market-oriented economy in much of the Sub-Saharan Africa, mainly due to anti-communism and anti-socialism pronouncements of Dr. Banda, in reality Malawi was one of the most controlled economies (Banda, 1964; Hodder-Williams, 1974; Kayuni, 2011; Kayuni & Tambulasi, 2010). The Government created institutions and companies that controlled much of the economy. For the agriculture sector, institutions like ADMARC controlled most of the value chains like maize, cotton and others, it controlled the forward and backward linkage markets for the smallholder farmers in these value chains. The institution was created, *inter alia*, to help in stabilizing the pricing of agriculture produce but also to take a leading role in agriculture development. Historically, from the colonial period, state control in smallholder marketing was justified on the premise that the smallholder farmer could not comprehend the commodity pricing fluctuations and the gullible exploitation by unscrupulous middlemen (Nthala, 2003).⁵² As such the paternalism of Government in agriculture marketing was justified.

On the premise of promoting agriculture development, ADMARC monopolized all smallholder produce on all value chains but, legally, it was a monopsony buyer for tobacco and cotton only. However, it was also a guaranteed buyer for all smallholder produce⁵³ grown on customary land that was offered to it (Harrigan, 1988). ADMARC's position in the market was prompted by the political leadership and rhetoric that boasted of ADMARC as the sole buyer of smallholder produce and this was additionally supported by the prevailing marketing institutional frameworks. These arrangements caused the parallel market to shrink (Chimimba, 1991; Chirwa 2001). Additionally, under the Smallholder Agriculture Credit Administration (SACA), the farmers clubs accessed the inputs through ADMARC and payment of the same was to be through, among others, selling their produce to ADMARC. This kind of set up made ADMARC a dominant player and the *de facto* monopsonist in the input and output markets and the controller of agriculture value chains. ADMARC had a huge network of markets in the urban and rural areas and was able to sell its

⁵²http://siteresources.worldbank.org/INTPSIA/Resources/4900231120845825946/15009_malawi_admarc_psia.pdf. Accessed on 12th April 2018.

⁵³ Much of the smallholder produce that ADMARC never bought from the farmers were those from the crops the Government had established an Authority to manage the smallholder involvement in the value chain. For instance, Government established Smallholder Commodity Authorities in Tea, Coffee, Sugar, and Flue-Cured Tobacco.

products at a pan-seasonal and territorial price thereby making it difficult for other players to participate in the market.

This kind of situation, led to institutions like the World Bank not to be sympathetic of public marketing institutions like ADMARC, which it felt crowded out the private traders, thereby derailing development (World Bank, 1986).⁵⁴ The World Bank's *World Development Report* of 1986 concluded that agriculture marketing is more efficient in the hands of competitive private traders and that African Governments seeking World Bank structural adjustment funding have to dismantle or restructure their marketing parastatals. For Malawi, as one of the conditions for the SALs, the World Bank stipulated that ADMARC should relinquish its monopoly position and reinstate private traders in smallholder crop marketing. However, this conditionality was ignored⁵⁵ by Government for some time until it passed the ADMARC (amendment) Act of 1994. However, prior to that, The Agricultural (General Purpose) Act of 1987 eliminated the monopsony power of ADMARC in the domestic market and provided (though limiting and conditional)⁵⁶ the mechanism for private trader's participation in smallholder crop marketing. However, with the prevailing state of ADMARC and its continued dominance, it was difficult for the other players to effectively participate (Chirwa, 2010; Kandoole et al., 1988; Mkwezalamba, 1989).

d) ADMARC and the Agricultural Marketing Challenges

ADMARC made huge profits in most of the 1970's due to its dominance in the agriculture sector input and output market in value chains. However, the profits of the

⁵⁴ World Development Report 1986.

⁵⁵ The Government was able to ignore the World Bank because market liberalisation was initially not a conditionality but a recommendation. However, under the SAL (III) the Bank put this as a condition. The conditions related to market liberation included, 1) Government should announce that private traders could participate in crop trading, 2) That all markets in which ADMARC purchased less than 60 tonnes per annum be closed, 3) That ADMARC institute differential crops prices between their regional depots and the traditional seasonal buying points, 4) That ADMARC eliminate losses on the maize account by abandoning pan-territorial prices and cutting consumer subsidies and 5) that Government agree to liberalisation of agriculture marketing (Christiansen et al., 1989).

⁵⁶ Among others the Act states that “*No person shall for gain or profit, engage in the business of buying any smallholder agriculture produce from producers except in cash and at Specified markets and from 0600 hours to 1800 hours on any day of the week except on Sunday; and unless he is the holder of a valid license under these regulations... Every application for a license shall be accompanied with an application fee... and a license fee...*” (Section 65 (5)).

institution deteriorated towards the end of the decade (Khaila, 1992). This was attributed mainly to exogenous factors that affected the operations of the institution but, additionally, this decline was attributed to the excessive nonprofit making buying points that ADMARC had maintained throughout the country and also staffing. Much of this staffing, as some scholar alluded to, was as a result of political pressure on ADMARC to employ people and thereby maintaining an unproductive human resource (Christiansen & Lee, 1989). The marketing transaction cost of ADMARC as a proportion of total value of purchase, increased from 45% in 1972 to 99% in 1980 (Christiansen & Lee, 1989, *p.739*). This made the demands for reform of the ADMARC from such organisations as the World Bank to be more justifiable. However, the World Bank took advantage of the situation in which ADMARC was to put forward a conditionality for reform which it already had. The broader perspective of the Bank on marketing parastatals was that they distort the market and crowd out the private sector, as such they needed to be reformed to provide more space for private traders. The Bank envisioned that liberalisation of the market could allow ADMARC to reduce significantly its staffing and the number of rural markets it operated, thereby improving its efficiency.

However, though ADMARC was hugely important to agriculture development in Malawi, its role in the post-liberalisation period was not clearly defined. Nthala (2003) indicated that World Bank suggested that ADMARC could be the buyer of 'last resort' apparently to stop collusion among traders to suppress the producer prices. Farmers would be assured that they would receive at least the pre-announced price from ADMARC and would not need to accept less from the private traders. However, the Government's argument was that for ADMARC to function as a buyer of last resort then it must return most of its rural markets and have them operational. This may help also to reduce the transportation burden on farmers to urban markets in case the traders fail to clear the market. This was also looked at in terms of the output market but also the input market as at this time ADMARC still had the monopoly over the input market.

Liberalisation of the agriculture market was in theory a good practice but it spelt disastrous consequences for the smallholder farmers who were generally illiterate, disorganised and on the receiving end of the market dynamics (Kydd & Spooner, 1990). ADMARC was the only hope these farmers had of a guaranteed market both

for inputs and output. Though the liberalisation theory had put in place some safeguards to protect the farmers but the reality on the ground was a different story. Realising the challenges that could come with full liberalisation, the Government defaulted on some of the terms it agreed with the Bank under the SAL III on the number of rural ADMARC markets that were to be closed. It was among other things agreed that Government should abolish pan-territorial and pan-seasonal pricing but instead set minimum buying prices for both ADMARC and the private traders. However, the intensity of private traders in buying maize and other crops depended on whether the minimum price was above or below the market price and this applied both in space and time. They therefore bought only when the market price was below this set price and when the market price was above this set price, the farmers would sell to whoever was buying above the price at which ADMARC was buying. Now if ADMARC had closed all its markets, the farmers could have nowhere to sell their surplus maize and two things could happen, 1) they could have been forced to transport their maize to far away ADMARC market at a huge cost, 2) sell to traders at lower than guaranteed minimum prices and make huge losses⁵⁷.

e) Key Observations on market liberalisation and market decontrols

It is evident from literature that the liberalisation of the agriculture markets never yielded in practice the desired outcomes as was stipulated in theory. The absence of ADMARC in most rural settings meant a cutoff of most farmers from a realistic market. This was the case because most of the traders who were considered critical in filling the gap left by ADMARC never did so as most of these rural markets were deemed as unprofitable. Recognising this scenario, the government dragged its feet on ADMARC reforms. The Bank's argument of making ADMARC the buyer of last resort could not work with full liberalisation of the market as the rural smallholder farmers still needed an operational ADMARC to be guaranteed of markets.

⁵⁷ This is much of what is happening now. Even though the Government still sets the minimum prices, these are no longer respected by the buyers as Government has no monitoring mechanism to check the behaviour of the traders. The reduced presence of ADMARC on the market has put the farmers at the mercy of the traders.

Furthermore, markets play a very vital role in the process of de-agrarianisation, as argued by Ng'ong'ola (1986) and McCracken (1983). These scholars argued that access to land and labour are not enough prerequisites for the process de-agrarianisation in the absence of a functional market. Most Malawian farmers today are still stuck in the state of peasantry due to lack of access to markets that could enable them to advance into semi- or full-capitalist farmers. Liberalisation therefore was one of the factors that contributed to decreased access to markets by the smallholder farmers and condemning most of them to poverty and food insecurity. ADMARC markets provided sure forward and backward linkages for the farmers; it provided an incentive structure that enables the smallholder communities to participate in lucrative agriculture value chains like tobacco and cotton. ADMARC therefore was the only entity providing this incentive being a monopsony buyer. The argument of the study therefore is that the state of peasantry in Malawi is mostly as a result of the institutional formations governing access to land, productive resources and most importantly to markets of which market liberalisation of the structural adjustment program played a central role.

f) Privatisation and Structural Adjustment Programs

As pointed out earlier on, apart from the removal of subsidies and the liberalisation of the market, another issue of interest is privatization. This is a neoliberal policy that is promoted by the IMF and the World Bank and it involves moving resources and enterprises from the public to private ownership. This transfer of ownership is accomplished through the sale of formerly held state assets mainly through capital markets where investors purchased shares and at times through the enterprises sold as a whole (Chang, 2004). Public ownership of the means of production was viewed as a Marxist strategy for social justice and equity, however such a strategy was in clear contrast to the capitalist stand on property rights and rolling back of the state business kind of enterprises. Ideally the creation of state-owned enterprises and the holding of assets by the state had been a recommendation of some economists after the great depression as a means of sustaining stable economic activity over the course of business cycles (Aly, 1994). However, for most underdeveloped countries, the creation of SOE was as a result of the slow growth of the indigenous private sector

and capital markets but also the fear of the multinational companies and their close identity with the colonial past. This fear was built on the fact that these multinationals do not have a genuine desire to develop the countries where they are operating. It was felt that SOE are what could bring about development (Aly, 1994).

However, over the years and in most cases contrary to expectations, the performance of most of these public enterprises had been very disappointing. This situation was at times exacerbated by the fact that most of these SOE's were monopolies in their field, at times by law, leading to production of shoddy products and low standard services. There had been increased inefficiencies in the use of resources and they represented a drain on the public resources. This kind of situation led to IMF and the World Bank to put privatization as a condition for SAP. Though the justification for the privatization made economic sense, the major concern of some of these privatization processes was the arbitrary nature in which it was done. Ideally, what was to be privatised should have been only the underperforming enterprises but the process targeted even those that were relatively performing. Additionally, some of the conditions that were put forward to accompany the privatisation processes had nothing to do with fixing the economy or making these enterprises to perform better but to serve the interests of rich countries lending money and multinationals at the expense of the locals. For instance, privatization processes had other related conditions like reduction of trade barriers and the opening up of capital markets to foreign investors (Chang, 2007). This led, in most cases, to the recently privatised entities to fail to live up to expectations and at times the assets of these companies were taken out of the country, as was the case with companies like David Whitehead and Sons (Mw) Limited leading to scaling down or total closure of the companies.

4.3.4 Post-Adjustment Period (1994 -2017)

This subchapter presents the contemporary development issues and how they are impacting the process of agrarian change in Malawi. Of interest, this chapter dwells much on the processes of globalisation and how the exposure of the local agriculture sector to international capital and competition has impacted the process of agrarianisation.

4.3.4.1 Globalisation and Agriculture Development in Malawi

One of the most important issues in the development of agriculture in Malawi that has been so evident in the post-SAP era is globalisation which is just as equally important as climate change and democracy. This study, however, as a continuation of the structural changes explored in the previous subchapter, has taken interest to understand how those changes like the liberalisation of the market in Malawi has facilitated the process of globalisation and how that is impacting Malawi agriculture and the process of agrarian change.

In the recent post-adjustment era (and of interest in this study are the years from 1994 to 2017), Malawi's agriculture development has continued to face new and varied issues that have a bearing on the process of agrarianisation. Among the issues noted is the globalisation of the world economy, which has facilitated a lot of foreign capital transfer into the countries like Malawi and has over the years increased both in magnitude and importance. Globalisation has been defined in many ways with some of the definitions being relatively concise, while others are vague and evocative. Generally, globalisation does refer to a number of aspects which relate to human interaction such as culture, technology, trade, economy among others. The Organisation of Economic Cooperation and Development (OECD) defines globalisation as the geographic dispersion of industry and services activities, for research and development, sourcing of factors inputs, productions and distribution and the cross border networking of companies, for example through joint ventures and sharing of assets (Bourguignon et al. 1991; Canale et al., 2014).

It is important to note that through globalisation, economies of the world are becoming increasingly integrated and inter-dependent as such globalisation is more of a process and is dynamic rather than an end state. Additionally, globalisation is not inevitable, it can be reversed, as was noted that the growth of world trade in goods and services slowed down in recent years following the global financial crisis of 2008. Globalisation is therefore a process of deeper integration between countries and regions of the world (Kacowicz, 1998). It involves greater trade across borders in goods and services, an increase in transfers of capital including the expansion of foreign direct investment (FDI) by transnational companies (TNCs) and the rising influence of sovereign wealth funds. Furthermore, as Kacowicz (1998) points out,

globalisation is bringing ideological, technological and cultural changes across the world. Ideological changes include investment and trade liberalisation, deregulation, privatization, and the adoption of political democracy in the institutional realm. Technological changes include information and communications technologies that have shrunk the globe and the shift from goods to services. Cultural changes involve trends toward harmonization of tastes and standards, a universal world culture that transcends the nation-state (Kacowicz, 1998).

The nature and impact of globalisation is the subject of profound debate within the scope of International Political Economy. According to OECD, the term globalisation is used to refer to at least three different sets of force processes in the world economy. These include: internationalisation, technological revolution and liberalisation. Internationalisation describes the increase in economic transactions across borders, which has been taking place since the turn of the century but which some argue has undergone a quantitative leap in recent decades. The technological revolution is a second aspect of globalisation, describing the effects of new electronic communication which permits firms and other actors to operate globally with much less regard for location, distance, and borders. Finally, Liberalisation describes the policies undertaken by states which have made a new global economy possible. This includes both the rules and institutions created by powerful states to facilitate a new scale of transnational economic activity in certain sectors of the world economy. It also includes the policies of smaller and less powerful states in the system who, by liberalising trade, investment and production, have been integrated into the world economy.

4.3.4.2 Background Perspectives on Globalisation

As already alluded to, there are different perspectives on the issue of globalisation that work counter and at times complimentary to one another.⁵⁸ There is the globalist thesis which argues that globalisation is here to stay, and that it does exist and will be a major factor for large organisations in the decades to come. Some of the notable scholars propagating this thesis are Francis Fukuyama (1989) – in the “*End of*

⁵⁸<http://ipezone.blogspot.com/2007/03/three-waves-of-globalisation.htm> Accessed on 11th July 2019.

History”, Thomas Friedman – in the “*World is Flat*”⁵⁹ and Keichi Ohmae – in “*The End of the Nation-State*”.⁶⁰ However one of the challenges presented by this thesis is its presentation of globalisation as a top down process. These kinds of processes are what left many poor people out of reach of the benefits of globalisation (see Booyens and Crause, 2009; Tembo, 2004). Secondly, there is the skeptical thesis which argues that globalisation does not exist. This thesis is propagated by such scholars as Paul Hirst and Grahame Thompson. The skeptics generally adopt an economic analysis and seek to show that the current global economic system is either far from the picture presented by the globalists. Thirdly, there is transformationalist thesis propounded by scholars like David Held and Anthony McGrew. It says that globalisation does exist but it is more complex and much deeper than other cross-border flows and it emerges as a more significant influence on global economic integration.

Though globalisation has been hailed by many, especially the neo-liberals⁶¹ (Li, 1997), there is however a growing fear among Marxist and neo-Marxist scholars of what globalisation could bring. Most arguments based on dependency and world systems theories schools of thought have presented scenarios that globalisation could recreate a state of neo-colonialism and economic imperialism with the core nations controlling the economies and the participation in trade of the peripheral countries.

Globalisation is therefore a further attempt to incorporate the peripheral countries into the capitalist global economy directly, not through a mercantilist imperialism or colonialism but under the guise of global trade relations. Additionally, the already existing unequal power relationship will only exacerbate a situation where the peripheral economies will be shaped to meet the demands of the core rather than the needs of their communities. This will enforce what the neo-Marxists call “monopoly capitalism”, which, according to them, can only be dismantled if the peripheral countries withdraw from the world capitalist system and restructure their economies and societies on a socialist basis. As pointed out earlier, globalisation would like to increase human interaction at the level of culture, technology, trade, and economy to

⁵⁹<http://www.labee.ufsc.br/~luis/egcec/livros/globaliz/TheWorldIsFlat.pdf>

⁶⁰<http://www.caribbeanleadership.org/app/webroot/files/courseDocuments/Ohmae%20-%20The%20rise%20of%20the%20region%20state.pdf>

⁶¹ Neoliberals believe that globalisation has been the inevitable result of technological change; moreover, that global economic liberalisation will strengthen and lead to political democracy. Globalisation will open up societies to democratic tendencies, while economic liberalisation will provide the material bases for subsequent democratic consolidation.

bring about development throughout the world. However, Peet and Hartwick (2015) highlights the thinking of the Marxist philosophers like Andre Gunder Frank, who argued that globalisation, which mirrors the classical development of capitalism in some aspects and the subsequent spread of imperialism, will lead to a further development of the core and the underdevelopment of the peripheral through extraction of surplus. This surplus extraction means that resources to develop the peripheral will not be available as has been the case since colonial times. As such, Peet and Hartwick points out that attributing the current stagnation of the peripheral communities to traditionalism and not to the advancement of capitalism is a historical and political mistake.

Thus imperialism, which according to Vladimir Lenin⁶² is the highest stage of capitalism, helped to polarise the world and facilitated the continuity and creation of a structural underdevelopment throughout the expansion of the capitalist system. This structure is likely to be further reinforced through globalisation. Surplus value will continue to be extracted through the multinational companies and financial institutions from the peripheral countries in even new forms, from the first days of global capitalist system to the present day. In the early days of capitalist expansion, as also presented in Chapter 4.1.2 of this thesis, the peripheral countries were prevented from achieving development because the structure that was created enabled them to only sell their goods at below their value. The Marxist theorists believe that for globalisation to truly be achievable, a world system has to be created based on domination and hegemony of the core countries over the peripheral (Peet & Hartwick, 2015). Political, cultural and economic integrations may be achieved by direct physical coercion through the institutions of the state like the police, army and the laws as was the case under colonial rule. This can also be achieved through ideological control through the production of consent by institutions like unions, churches and others in the civil society. These can be used to inculcate in people an

⁶² Lenin developed his theory of imperialism amid an intensification of European engagement with the periphery. This intensification had begun during the second half of the 19th century. Domestically, capital was concentrating into large monopolistic corporations integrated with and led by a few large financial oligarchies. Lenin theorised that these two developments were intrinsically linked. The concentration of capital created inequality. Inequality in the core constrained aggregate demand levels. The general population could not absorb the mass of commodities achieved by higher levels of productive capacity. Insufficient demand created continual realization crises. The price of raw materials threatened profits further. The falling rate of profit required economic expansion to open up new regions for investment, sources of raw materials, and new consumer markets. (Lenin V.I, (1917) *Imperialism, the Highest Stage of Capitalism*).

entire system of values, beliefs and morality that could be used to support the establishment of a world order. Some core countries are using such things like development aid to influence policy and other ways of doing things, at times using institutions of democracy or even military intervention to bring about regime change that is not in line with the status quo and order of “acceptable” global processes (see, Dunne, 2003; Harvey, 2005)

4.3.4.3 *Globalisation and the State*

Nation states are very important players in the process of globalisation as the pace at which it takes place depends on the willingness of the states to provide a conducive institutional environment. Kacowicz (1998) argues that globalisation, regionalisation and nationalism⁶³ should not be assessed in isolation, independently from one another, nor from a perspective of either convergence or divergence among them. Rather they should be captured and studied as forces relative to and overlapping one another, sometimes antagonistic and sometimes cooperative towards each other. The process of globalisation at times may mean that nation states lose the sovereignty over a number of issues. This has led in some cases to nation states opposing or derailing the processes of global integration. The rise of rightwing nationalism in most parts of Europe is threatening the very existence of institutions like the European Union with countries like the United Kingdom leaving the regional block.

As for the case of Malawi, the process of aligning to global economy was initially facilitated by the structural adjustment programme. The SAPs had among its conditions the removal of trade barriers through market liberalisation, which opened up the once closed and controlled local market and its players to foreign capital and competition. Ironically, the foreign capitalist nations and their MNCs used the Bretton Woods institutions to clear the way for entry into the once closed economies. Other scholars have argued based on the politics underpinning the role of IMF and World Bank that their main role is the construction, regulation and support of a world system where multinational corporations trade and move capital without restrictions from

⁶³ A nation in this case is being referred to as the nation-state, though many African countries including Malawi may not, in principle, qualify for this. However, the study refers to it as a geographically bounded legal entity under a single and recognised government, the population of which psychologically consider themselves to be related, through historical, linguistic, racial, or other links

national states. The SAPs, therefore, which were initiated to respond to a genuine international economic crisis that affected nation states, may have been shrouded in the politics of imperialism and supported the neo-liberalist ideology of 'rolling back the state' (Bernstein, 1990).

Apart from the wave of institutional changes under the SAPs, the study has also observed that most countries, including Malawi, have been more willing to rearrange their institutional frameworks to favour regional trade agreements and protocols. These have integrated Malawi more to the multilateral and bilateral regional economic and trade frameworks. However, for these agreements to be made operational, the nation states need to willingly domesticate them into the national policy frameworks.

4.3.5 Conclusion

Chapter four has provided a historical trail as regards institutional frameworks that informed changes on land, marketing and agricultural production. The chapter has also demonstrated on how these changes influenced the formation of an agrarian structure in Malawi, more especially in the shire higlands, which presents a good case study how the implementation of the ordiances on land had an impact on people's livelihoods. The chapter was subdivided into four subchapters covering the colonial period, post colonial period, the period of structural adjustment and the post adjustment era. The colonial period has discussed the genesis of institutional reforms in the sector of agriculture more especially on land, marketing and production and how these created and entrenched an agrarian structure that favoured the white settler farmers. The post colonial period discussed the continuation of an agrarian doctrine that led to the perpetual marginalisation of the smallholder peasant farmers. Though efforts were made by the post colonial administration to change some of the harmful colonial ordinances not much changed as regards the relationship between the state and the farming community. The period of the structural adjustment, experience a significant change in agricultural policy where the government reduced significantly its role in the sector of agriculture. Most of the institutions were reformed and this led to huge structural change in the sector with overreaching consequences on peaples livelihood. The post adjustment period oversaw a shift in how agriculture is practiced. The coming in of multiparty democracy introduced a post productivist notion of right to food. Additionally, there has been an increasing reference to issues like climate change and democacry (decentralization) in agriculture and food security programing. However, this study did not look at these issues but concentrated more on globilisation, which provided a good continuation of the narrative of the thesis especially on markets.

Chapter four has therefore provided a good footing as regards the arguments of this thesis and greatly contributed to anwering the objectives one and two of the thesis by identifying the institutional characteristics of the four eras under study in response to objective one. As regards objective two, the chapter has indentified the factors that led to these changes, the critical junctures that presented themselves and how all these led to agrarian change in Malawi.

CHAPTER FIVE

INSTITUTIONALISM AND AGRARIAN TRANSFORMATION IN MALAWI (1900-2017): STUDY RESULTS AND DISCUSSION OF THE FINDINGS

5.1 Introduction

Chapter five provides an analysis of the study results that were collected through the methodology as explained in Chapter three and Chapter four above has provided the theoretical background of agrarian change questions and the contemporary issues driving agrarian change in Malawi. Additionally, it presented the position that agriculture holds in the process of development in any agrarian economy. Furthermore, a body of literature has been reviewed which has helped to contextualize the arguments of this study within the processes and stages of agriculture development in Malawi. At the same time, it has also helped to trace the changes in institutional arrangement especially on land, marketing and production over the past 100 years. Literature has been reviewed on colonial era, the post-colonial era the period of the structural adjustment and also the post-adjustment era. This present chapter, therefore presents the link between the body of literature and the findings of the study and also the observations that have been noted in the body of the literature that have a bearing on the thesis of this study.

5.2 The Study's Observations on the Colonial Period

On the basis of the preceding discussion from the theoretical framework and the general literature review, the study observes that institutions have played an important role in the creation and maintenance of an agrarian structure in Malawi.

In most cases, it became obvious that institutions were used to deliberately create an institutional structure that impoverishes the peasant farmers and halted the process of de-agrarianisation of the African communities. In the colonial period and much of the post-colonial period, this was done by, among others, denying them access to good arable land but also providing restrictions on the production and marketing of crops like tobacco and cotton. At Satemwa in Thyolo, the study noted the legacy of these policies whereby large pieces of land on tea production are under the ownership of the descendants of the colonial white settlers and some pockets of dwelling units and maize gardens owned by the African farmers. This supports a functionalist perspective that institutions are developed to fulfill or enable the fulfilment of a certain function. This analysis therefore rejects the environmental determinism narrative that much of the poverty and backwardness of the African farmers in Malawi was as a result of traditionalism and a lack of mineral resources and also its proximity to the sea. As a matter of fact, this study has shown that the current state of agrarianism in Malawi is a result of structural and institutional determinism where institutions were at the core of its creation.

The literature on colonial era and some of the interviews the study conducted with some history and agrarian change scholars has demonstrated that during the colonial period there was total disregard on the part of the imperial authorities for the development of Nyasaland and its people and all the institutional formations in agriculture development were biased in favor of European settler farmers. The enforcement of this trend was achieved through an ensemble of ordinances, policies and other frameworks, that worked as a strategy aimed at systematically exploiting the local resources by foreign capital and impoverishing the local communities. Specifically, the instruments used to achieve this goal of foreign capital exploitation of the peasants were the legislation governing the land, production and marketing of economic crops, both cash and food crops for the domestic as well as the international market. These regulations included the registration of the growers, the determination and control of the producer's prices, registration and licensing of the intermediate buyers, exporters and the trading premises, and the establishment of commodity boards with exclusive or primary responsibility for various crop production and marketing process including the supply of inputs to farmers. The colonial project therefore was an extension of the mercantilist imperialism, which involved massive

state control over the societies in the colonies by heavily regulating trade and commerce to the advantage of their home countries. This led to massive extraction of surplus which resulted in poverty and continued underdevelopment of the colonies.

Thus, ceilings were imposed on producer prices of African grown crops; crop trading especially for cotton and tobacco was restricted, monopoly marketing board were established for African grown crops and peasant growers were restricted from growing certain crops like dark-fired tobacco. Furthermore, Africans were prohibited from establishing plantations through the Native Trust land where private land ownership was forbidden. As such the process of turning African farmers into semi-capitalists or capitalist farmers was systematically and institutionally thwarted. There was belief within the colonial administration that the economic future of the colony depended on the white settlers as such were at some point accorded all the advantages on land, markets and transport.

These institutional formations, apart from the fact that they were means for organizing the peasant for easy exploitation, also stimulated and promoted differentiation of the peasantry into yeoman (master farmers) cash crop producing group and the subsistence peasants. All government expenditure on agriculture which amounted to 2.7% of the total government budget in 1945 and 8.7% in 1960 went to benefit the small group of master farmers as noted by Khaila (1992). The Yeomen were given support like a secured and heritable title over sufficient land to enable them to be efficient and to enjoy an improved level of living. Even then, the agriculture productivity resulting from this investment did not all accrue to the yeomen farmers. A large portion of it was retained by the board and was drawn in salaries by the all European managers of the boards (Khaila, 1992). The observation of the study, over and above, is that the thangata system in much of the shire highlands, the wage policy and the state control of peasant agriculture through ordinance and other institutional arrangements led to the failure of the development of a full capitalist agriculture economy of the peasant farmers. The result of this in the colonial period was that agriculture developed neither as a viable, dynamic capitalist farming sector nor as an extensive peasant farming community such as may have taken place in other British colonies.

Furthermore, from the sentiments raised by most scholar key informants interviewed by the study, it has shown that the British colonial government was not interested in the development of Nyasaland and its people. This was evident in the fact that, it opposed most of the possibilities that could have put the African communities on the path to capital accumulation. It created institutions that made it impossible for Africans breakthrough into capitalist communities. For instance, it opposed the development of the textile industry on the grounds that it will compete with the Lancashire cotton industries. One key informant, emphasized that the colonial government opposed the promotion of extensive maize production because it feared it would compete with Kenya and Rhodesian grown maize. It created land ordinances that banished Africans into the marginal and non-fertile land and created native land trust that forbade African title to land thereby disincentivising investments.

Additionally, some of the insights the study got from an interview with a Professor of agrarian change indicated that the imperial office required Nyasaland to sell the peasant grown agricultural produce at substantially reduced prices even when South Africa and other buyers offered much higher prices for the produce. Tariffs intended to protect local infant industries were opposed for fear that such actions would lead to losses by the British manufacturers of their traditional market. These sentiments very well correlated with what was reported in an old article by Luis Nthenda in 1972. This article further said that there was also fear that such protected companies would use up the raw materials needed by Britain's own industries and out-compete the empire's industries by producing cheaply. The insights that the study is raising also get inspired by what other scholars such as Bertocchi and Canova (2002) and Acemoglu et al. (2001) have found out about the relationship between colonial heritage and present-day economic performance of most former colonies, which agrees that all institutional development processes are path dependent and that the state of affairs in most former colonies today reflect the kind of institutional formation of the colonial periods.

5.3 The Post-Colonial Agriculture Narrative

The study also made an inquiry of the institutional changes in the post-colonial era and the period of interest was mainly between 1964 and 1979. A number of key informants were also consulted in addition to most of the archival data for that period,

which was secured through the archival analysis of documents from the Malawi National Archives in Zomba. Much of discussion in this period centered around the policies and the philosophy of Dr. Hastings Kamuzu Banda, the first President of Malawi who had total control over all the economic policies and had patrimonial authority over the affairs of the state. With Dr. Banda's slogan of "*Chuma chili mu nthaka*"⁶⁴, emphasis was placed on the importance of agriculture to development and he repeatedly said in most of his speeches⁶⁵ that the state of the country especially the smallholder agriculture sector in the post-colonial era was as a result of years of neglect by the colonial administration. He argued that with intensified agricultural production, the economy of Malawi and the livelihood of its people could improve⁶⁶. When closing the 1962 Nyasaland Economic Symposium held in Blantyre, he emphasised on the need to developing and modernizing agriculture first to boost the industrial and national development⁶⁷.

As such the period (1964 – 1979) was characterised by heavy investments in agricultural infrastructure and related sectors, with Dr Banda himself as the Minister Responsible for Agriculture and Natural Resources⁶⁸. These investments included those in irrigation and resettlement schemes, which spread throughout the country, agricultural research centers and other institutions of higher learning in agriculture. Much of this was done through the National Rural Development Programme (NRDP) that will be discussed later. After the first general elections in 1961, a number of African legislators were elected into the Legislative Council and this helped Dr. Banda to easily change most of the institutional frameworks he felt were not in the interest of developing agriculture especially among the Africans of Nyasaland. As such, once he became the Prime Minister after the General Elections, he felt the need of coming up with an own national development framework, that guided all investments in the strategic sectors of the economy including the agriculture.

⁶⁴ Literally translated as "wealth is the soil/land"

⁶⁵ Among others, this was repeated in the speech he delivered when opening the Parliament of 1971, when opening and closing MCP Convention in 1968, 1970 and 1971 and many more speeches afterwards in his annual crop inspection tours.

⁶⁶ Hansard, 12 December 1963.

⁶⁷ Closing address of the Nyasaland Economic Symposium, held in Blantyre on 18th to 20th July 1962.

⁶⁸ He indicated that he chose to be the minister himself because agriculture was the most important sector at the time. He took the responsibility in order that if there is any mess to be made, he shall be in charge of it himself. Nyasaland Economic Symposium, 1962.

The first concise national development plan was the Nyasaland Development Plan (1962-1965). This plan focused on building the economic infrastructure of the country that was hitherto neglected. These were to be developed so as to increase the domestic market through the commercialization of agriculture. It projected the smallholder agriculture subsector to grow at least by 11.4% annually and that there would be an increase of yields per acre through the modernisation of farming methods. Additionally, the plan emphasized research and also had put in place measures to conserve and develop natural resources. Strategically, the plan also put in place measures for the development of the road network that was aimed at facilitating marketing for the agricultural produce. It also put in place land reforms mechanisms for agriculture development (Nyasaland Government, 1962). The emphasis on the importance of agriculture was put in the Plan as follows:

“Production in agriculture must increase at a phenomenal rate so that reliance on it as a source of income has meaningful content not only for the few but also for the masses. It will do so only if there is a sustained and effective campaign to encourage and assist the masses to take up crop farming. This is what the Government sets out to in the present plan”. (P.46)

Additionally, the Malawi Congress Party campaign manifesto of 1961 emphasised the importance of agriculture saying:

Elsewhere we have said that one of the things to be accorded priority is agriculture. We say so because Nyasaland is a primary agriculture country and also because any underdeveloped country at Nyasaland's stage of economic development must first modernise its agriculture if a break with stagnation and a move towards self-sustained economic growth is to be made. (P. 14)

It has to be noted that as Dr. Banda had patrimonial authority and entirely in charge of the country's development philosophy and policy, most of the Government policies were coming as directives from him. As such documents like the MCP manifesto were very important at defining what Government policy would be. Thus, the manifesto laid out an agenda of a nationalist movement and provided a hint of what government philosophy would be. One of its objectives was to reduce inequalities in

the distribution of wealth, income and power. This was to be achieved mainly through the commercialization of agriculture. However, taking into consideration the prevailing status quo of marginalisation of the African farmers, there was a need for the government to take drastic measure to reform the institutions and rearrange the structures that were unfavourable to peasant agriculture transformation.

The second national development plan after the 1962-1965 one was the Malawi Development Plan (1965-1969). This policy document did not explain in detail what the Government was to do in agriculture. It presented more of a catalogue of things that were to be done. However, although agriculture was not emphasized, it was mentioned as an important sector which at the time accounted for more than half of the GDP under its Guiding Principle 7 (i). Under this development plan, capacity building for agriculture development especially for the smallholder sector was one of the key priorities. It was during this period that institutions like Bunda College of Agriculture were established.

Though the plan did not elaborate much on agriculture development, it was during this period when several oppressive ordinances on agriculture were reviewed⁶⁹, and new land laws⁷⁰, which changed the set up for land ownership in Malawi, were put in place. It was during this period that landmark programmes like the Integrated Rural Development Programs were initiated and also institutions like the Malawi Young Pioneers were established to create a sense of nationalism and hardworking spirit among the youth. Intent on agriculture reforms and development was not very well articulated through a national development plan but through other means like the Malawi Congress Party Convention⁷¹ Resolution. It is in the view of this study that this was a period of greater significance in as far agrarian transformation is concerned in Malawi as it initiated a recreation of an agrarian structure and new kind of relationship between smallholder farmers and the estates sector.

The third national development plan was the Statement of Development Policies (1971-1980). In its opening chapter, the statement put forward an emphatic message on agriculture development and its importance as “...*A statement of more detailed objectives must therefore be concerned primarily with increasing agricultural*

⁶⁹ Refer to Chapter 5.3.1.

⁷⁰ Refer to chapter 5.3.4.

⁷¹ Popularly referred to in most of Dr. Banda’s speeches as “Parliament Number one”.

productivity... ” (p. 1). The Plan further presented a statement of intent on what is to be done on agriculture that Malawi was not only aiming at mere self-sufficiency in food supplies, but also production for exports. This statement meant that the Government would extend a dualist approach to agriculture development by prioritising both the development of the smallholder and estate farming. The arguments for a dualistic strategy were based on the assumption that the relationship between the two sectors would be mutually beneficial or at worst benign. Some literature that the study reviewed earlier on⁷² and the interviews that the study had with several experts of agriculture development highlighted a number of expected gains that the government felt would accrue to the smallholder sector if there is a parallel development of the two subsectors. These could include: 1) Technological spillover stimulated by the demonstration effect as knowledge available on the estates could spill over to the smallholder sector. In addition, the knowledge acquired through “learning-by-doing” during wage employment on the estates could be used by the employees on their own farms. 2) Incomes of small households would be augmented by remittances by workers in the estates. 3) Estate agriculture would provide relief to pressures on land by providing wage employment. Through the document, the Government put specific interventions for the major crops like tobacco, tea, groundnuts, cotton, rice and others like cassava.

The plan also emphasised the role that ADMARC would take in agriculture development. In the plan it was stated that it would ensure *“a general effort to raise the productivity of the mass of a million small farmers through extension service and the provision of guaranteed and accessible markets” (p.1).* This was followed by the revision of the Farmer Marketing (Amendment) Act number 16 of 1971. The repeal of this Act changed the Farmers Marketing Board to ADMARC with new mandates on agriculture development and investments. The statement also acknowledged the importance of fisheries and livestock. For agriculture development, the statement also proposed intervention on strategic sectors that support agriculture like industry, education, transport and communication.

The 1971 plan presents a progressive ideological shift and a drift away from the initial narrative of concentrating the energies on the smallholder sector. This was after it was noted that the smallholder subsector was not yielding much in terms of agricultural

⁷² For instance, Mkandawire (1999).

and national economic development. The Government focus was shifting again towards the estates sector. However, with the coming in of institutions like ADMARC, it was felt that the smallholder subsector would be greatly integrated into the mainstream economy through the provision of input and output markets leading to economic transformation of the rural economies.

5.3.1 Dr. Kamuzu Banda Populist Philosophy

At the onset of the post-colonial period, it was realised that agriculture offered a greater possibility for development of the economy than any other sectors. As such, Dr. Banda and the post-colonial leadership took notice of the short-comings of the colonial policies in as far as agriculture development was concerned and was eager to make changes to correct the imbalances and the distortions in the social, political and economic lives of the free Malawi. To achieve this, Dr. Banda took a very populist philosophy to develop the agriculture sector but also as a means to consolidate power. This was evident when Dr. Banda introduced to parliament, the Natives on the Private Estates Ordinance (12/1962), which fast tracked the transfer of land from estates to Trust Land and by 1964, only 2.5% of land (1.8% freehold and 0.7% leasehold) was under estates⁷³. He also removed the Native Tenants Agreement Ordinance thereby abolishing the detestable system of thangata.

Furthermore, in 1962 he abolished the Land Use and Protection Ordinance thereby doing away with “*malimidwe*” (proper farming) whose coercive clause like permission to use force for soil conservation allowed Government Officers to assault, apprehend and jail smallholder farmers for not following soil conservation regulations. As stated by Dunduzu Chisiza, the *Malimidwe* concept was one of the things that an African was rebelling against and wanted to be freed from as they were demanding for independence (Chisiza, 1962)⁷⁴. Alienation of land from the estates to smallholder farmers was again speeded up in the 1970s through the Integrated Rural Development Programme, the process differed from that of the early colonial period. As stated earlier on, during its first years in government the ruling Malawi Congress Party (MCP) actively tried to support the smallholder farming sector. But after seeing disappointing production results which, the Statement of Development Policies of

⁷³ Interview with a key informant.

⁷⁴ A paper presented at the first Nyasaland Economic Conference in Blantyre, 1962. MNA.

1971, projected to grow by at least 11% only grew at an average of less than 5%, the government again shifted focus and transferred land to the estate sector. This was also elaborated further by some scholars⁷⁵. The poor performance of the smallholder sector was also noted by World Bank data that from the 1960s onwards. The smallholder sub-sector had been characterised by a low and stagnant levels of production per capita as a result mainly of low productive capacity⁷⁶.

As noted earlier on, Dr. Banda in an effort to encourage the youth's participation in agriculture development, established the Malawi Young Pioneers (MYP). The resolution to establish the MYP was passed at the MCP Convention of 1968, held at the Lilongwe Town Hall.

The Convention approves His Excellency's policy of establishing Young Pioneers agricultural settlements in the country and the setting up of Young Pioneer Training Bases as the best means of making the youth of this country grow up with a sense of responsibility to the country and the nation and ensure accelerated development. (P. 6, MCP Convention Resolution, 1968)

The Malawi Young Pioneers came to play an increasingly developmental role. They were seen as a useful channel both for encouraging economic progress and for increasing national consciousness. An interview with a former trainer at Nasawa Training Base indicated that the Concept of MYP was based upon the Ghana Young Pioneers. However, the Malawi scheme involved a ten-month training programme covering a wide range of agricultural practices, rudimentary literary skills for those who needed them, basic constructional techniques, and physical fitness. In the early days the MYP was used extensively in spreading out modern agricultural technologies into the villages from which the trainees had been selected to persuade their relations and neighbours to use sophisticated agricultural methods.

In general, the study has observed that the Malawi case reveals an agrarian doctrine that was not static, but was reviewed and altered to meet the perceived changes on the ground and much of the interventions in this period were mostly state-led. The inter-changing policy focus on the estate sector and the smallholder sector over different

⁷⁵ For instance, see Green, 2011; Chiningo, 2015; Nkhoma, 2019.

⁷⁶ World Bank, 2001.

periods indicated that though the government had a goal for agrarian change, it lacked concrete strategies and means of getting there. The smallholder farmers were in majority as compared to the estates in terms of numbers but also the area covered by the two sectors, yet the pulling effect of the smallholder on the agrarian economy had proven to be very little. As such, the increasing investments into the smallholder sector had mainly been for food security and not sector transformation. For instance, during most of the inter-war period the interest of the Government was on the growth of the economy through the development of a capitalist estates sector. However, the drive to invest in the smallholder sector came in the aftermath of the World War 2 and also after the 1949 hunger crisis with an aim of increasing food production.

It has further been noted that the institutional changes that were done in the immediate aftermath of the post-colonial period were measures to strengthen the pre-capitalist family farms rather than transform rural relations of production, and that there was therefore a remarkable degree of continuity in the colonial agrarian doctrine. For instance, the passing of laws for land reforms in 1965 and 1967 (which will be discussed in much detail later) was intended at providing a means for ensuring property rights among the peasant farmers with an aim of incentivising long term investments on lands. This shift necessitated also a change in land tenure structure to meet the goals of Government. It was felt that customary land communalism was a contributing factor to underdevelopment since “everybody’s baby is nobody’s baby”⁷⁷. However, restrictions on the production of some crops like Flue Cured tobacco were still in place. Additionally, the changing of these laws did not change the social relations of inheritance like *Chikamwini* among the Chewas, which one of the respondents indicated that it was also a tradition that discouraged long term investments on land. *Chikamwini*, which is a matrilineal practice of inheritance through a woman, denies the man as the head and the lead decision maker in the home, the ownership of land. Additionally, the coming in of institutions like ADMARC, which initially provided the hope of an improved farmers access to a steady and lucrative market, became the means for further impoverishment and peasantisation of the farming communities. The same oppressive practices that the

⁷⁷ Speech by Kamuzu Banda, at Malawi Parliament closing ceremony in 1966.

colonial government performed through institutions like Tobacco Control Board re-emerged through ADMARC⁷⁸.

Thus, after taking a radical populist approach to change agrarian related Ordinances immediately after independence in favour of the peasant farmers, there came a progressive shift from this stand in the early 1970s as with the fallout of the peasant farms in output. The Government became skeptical about the capacity of the small-scale pre-capitalist farmers. This became one of the main reasons for a shift in agricultural policy.

5.3.2 Post-Colonial Smallholder Farmers Development Initiatives

Let me go back a little to provide an outline and the context of some of the changes that took place in the post-colonial period and were meant to develop the smallholder sector. The post-colonial period experienced a restructuring of the sector, which has had a direct effect and assisted in shaping much of the contemporary agrarian situation. However, most of the key informants explained that twentieth-century agriculture was characterised by a conflict between the smallholder and estate sectors over productive resources and markets. In all these conflicts of interest, the state had mostly intervened in favor of the estate, resulting in the shrinkage of the productive base for smallholder farmers. Additionally, the expansion of the estates sector needed more arable land and cheap labour and all this resulted in smallholder farmers being disadvantaged.⁷⁹

However, the insights the study got from a key interview with a former Principal Secretary for Agriculture, highlighted that in an effort to address some of the challenges affecting the smallholder sector as was proposed in the MCP manifesto of 1961, the Government introduced the Integrated Rural Development Programmes (IRDP). He said

“These were smallholder farmers development programmes established in 1968. These programmes, were called ‘integrated’ because they contained several components. For instance, the Agriculture Development Divisions had objectives that included; crop

⁷⁸ Refer to chapter 4.3.5.

⁷⁹ For further information on these processes see also Mkandawire (1999) and Green (2007).

production improvement through credit, extension, land resettlement, agricultural marketing, encouragement of livestock production and these also included distribution of work oxen, investment in rural infrastructure (feeder roads, buildings and boreholes) and improvement of health services”.

Under the IRDP, there were at least four major programmes which were established. The first project to be established was the Lilongwe Land Development Programme (LLDP) in 1968/69. The LLDP, situated in the Central Region, was financed with International Development Association (IDA) assistance. This was followed by the establishment of the Shire Valley Development Project (Shire) in 1969/70 and the Karonga-Chitipa Development Project (Karonga) in the Northern Region in 1972/73, which were also assisted financially by the IDA. In 1968/69 the Lake Shore Development Project (Lake Shore) was established and it was financed with assistance from West Germany. These programmes were small-scale and labour-intensive and they targeted about 10% of all smallholder farmers in the country, which translated to 30% in the areas they were implemented. However, the experience of the LLDP is that these programmes did not work out as intended. For instance, among the intentions of the programme was to increase productivity through increased use of fertiliser and hybrid over local varieties. This could then increase output on a reduced portion of land. However, an analysis of the LLDP done by Chipande, 1983 and Traugh, 2020 showed that this was not the case, the proportion of maize hectare did not decline as anticipated mainly due to low uptake of hybrids but also the rapid growth of Lilongwe city, which demanded more maize for food. This necessitated an increase in land for food production. It was therefore realised that the programme could not produce significant impact on productivity for the majority of the Malawian smallholder farmers. The program lasted for about a decade and were incorporated into the National Rural Development Programme (see also Khaila, 1992; Mkandawire, 1985; Sindima 2002).

Another programme of significance was the National Rural Development Programme (NRDP) which was launched in 1978. This programme brought about a new thinking in the rural development philosophy of Malawi, with an idea of stimulating rural development by bridging a gap between the rural and urban areas while generating growth in all the geographical areas of the country. The programme initiated, among

others, the establishment of rural growth centres and an intensification of extension services. The rural growth centres brought to the rural areas amenities in resemblance to an urban centre. Additionally, the farmers were encouraged to form clubs through which they could get credit and access extension services. This was intended at promoting a spirit of togetherness among the farming community. The aim of NRDP was to improve productivity towards self-sufficiency in food for the majority of the smallholder farmers. The program had 8 Agriculture Development Divisions (ADDs), 28 Rural Development Programme (RDPs) and 180 Extension Planning Areas (EPAs). This set up was mainly designed to develop the smallholder sector and was well structured to provide extension and other services to the farmers. However, according to one of the key respondents, the NRDP concept did not yield much of the expected results. The question still remains whether, despite the various efforts that had been done, there had been any change in terms of the livelihood of the smallholder farmers. When this question was put forward to some of respondents the study engaged, it was clearly indicated that though Malawi had an unprecedented economic transformation in the two decades after independence, very little trickled down to the peasant smallholder farmers and a proper foundation for a continued agrarian transformation was not set. This scenario agrees with what was earlier pointed out in the literature⁸⁰ that some of the peasant farmers that had a relatively large amount of land and participated in the production of commercial crops like cotton and tobacco, never really broke away from the peasantry. The argument put forward was the kind of constraints they faced on marketing. The structural changes on land and other interventions, as done under the ILDP and the NRDP, never brought real and lasting changes on the livelihood of the smallholder farmers partly due to the kind of exploitation the farmers faced at ADMARC markets. Additionally, the political bias towards the estates sector and also the skepticism the government had towards the development of agricultural cooperatives and associations⁸¹ that could have assisted in the further development of the farming communities never provided a conducive environment for agrarian change.

⁸⁰ See for instance McCracken, 1983, 2012; Ng'ong'ola, 1986; Mkandawire, 1999; Prowse, 2013; Good, 2016; Chirwa et al. 2005.

⁸¹ Agriculture Cooperatives were viewed as fertile ground for the development of political decent as such they were viewed with scepticism by the Government and were outlawed. Historically native associations and cooperatives were platforms where opposition to the status quo of economic, political and social environment was being developed. As such, Dr. Banda never tolerated any such groupings as tribal associations, agricultural and other cooperatives to exist.

5.3.3 Post-Colonial Land Reforms

As noted earlier with the example of the colonial era, access to and ownership of land is one of the greatest determinants of the agrarian structure in rural communities, as secured land tenure provides the means, the incentive and the orientation of production. As such, the first post-colonial law to be passed was the Land Act of 1965, which was passed on the understanding that land is the most important asset in the economic life and an important means of production. The Act also attempted to consolidate the various statutes which dealt with land administration during the colonial period. It provided for the redefinition of land categories; control of private land dispositions; acquisition and forfeiture; control of public and customary land dispositions; and control of the use of customary land. Additionally, to reiterate this fact, in most of his speeches, Dr. Banda insisted that Malawi agriculture could not develop if land resources were not properly utilised and proper utilization could not take place where there was no individual responsibility over land resources⁸². Following such a declaration by the President at the start of the Malawi Congress Party Convention in 1966, the Convention made a resolution at the closing of the said Convention, where the delegates “...*Wholeheartedly accepted Government policy as regards land tenure and undertook to do everything in their power to see to it that the policy succeeds...*” (P.3 of Convention Resolution).

In an effort to operationalize the aspirations of the 1966 MCP Convention and improve the African farmers’ access to land and raise their agricultural productivity, the Government passed three new laws on land in 1967. These laws were also passed to encourage the increasing yields of crops like maize, groundnuts and tobacco and at the same time to ensure that land is effectively used. The laws that were passed included the Customary Land Development Act, the Registered Land Act and the Local Land Board Act. These provided the African farmers with a legal basis to have ownership of land as an enabling factor to transitioning from subsistence to a cash economy and this was a crucial departure from the Colonial Land Ordinances which generally favored the white settler farmers. The Registered Land Act allowed African farmers to register their land on leasehold for the first time. To enable the operationalization of this Act, land registration districts were set, the first being the

⁸² Speech of Ngwazi Dr. H Kamuzu Banda at the opening of the 1966 Malawi Congress Party Convention.

Lilongwe Land Registry. Each land registration district had a Land Control Division whose function was vested in a Local Land Board. It is this Board which recommended the allocation of titles and controls all matters concerned with the development of the district or scheme in which it operates. The Local Land Board Act indicated that a Land Board comprising of chiefs, agricultural officers, and local politicians, would replace the chief as executive power when it came to land transfers on Native Trust Land⁸³.

On the one hand, these laws were seen as being progressive in enabling the access and ownership of land by the Africans, but on the other hand, they greatly reduced the power and authority of the chiefs in the control of land. As such the Government knew that these laws would face a lot of resistance from the chiefs. It was therefore resolved that they be implemented as a pilot over a limited area in Lilongwe. This initiative formed part of the Lilongwe Land Development Programme (LLDP)⁸⁴, which covered 500,000 acres of land. The reason why Lilongwe was chosen was because it was predominantly matrilineal, which made transition toward private property rights necessary.

The idea behind the laws was that land was going to be demarked and registered as separate units belonging to a minimal lineage of consanguine sisters, and the demarcation team relied heavily on the village headmen to identify these. The overall aim of the LLDP was to increase yields per unit of land and to create incentives for farmers to reallocate land from local maize and tobacco production to the production of groundnuts and high-yielding varieties of maize. The programme had a huge bearing in directing the course of agrarian change in Malawi especially in Lilongwe by among other things altering the labour relations and dynamics of land use, management and inheritance. Legal ownership of land made a lot of would-be casual and permanent labourers to engage in commercial farming themselves⁸⁵. At the same time, the Acts provided for a systematic tenure-based alienation of the smallholder

⁸³ See also Ng'ong'ola (1982).

⁸⁴ In the Lilongwe Land Development Project there are clearly definable units upon which land reforms could be based. The first of these is the Chiefs' areas, each between 10,000 and 20,000 acres and headed by the Chief; the second are the village units of about 400 acres each; the third are the small number of extended family (or consanguine families, the *mbumba*) units of 80-120 acres each (Pachai, 1973, p.696). Other land reform program under the IRDP included Karonga Rural Development Program, The Lakeshore Development Project in Salima and the Shire Valley Agricultural Development Program.

⁸⁵ This was further elaborated in literature by Green, 2010.

sector from producing certain cash crops. Those engaged in estate farming could cultivate a variety of crops without limit, while those within the smallholder sector were legally prohibited from producing cash crops such as burley tobacco, sugar and tea to avoid oversupply of the market and poor-quality produce. In the case of tobacco, this was regulated through the issuance of quotas to farmers. This change in dynamics of institutional arrangement helped to provide for a genesis for new agrarian structure.

5.3.4 Post-Colonial Agriculture Markets and the Exploitation of Smallholder Farmers

So far, the study has explored the role that markets played in determining the state of peasantry among the African farmers in the colonial era. The control of smallholder farmers' produce markets and pricing started in the colonial period through, *inter alia*, the use of marketing boards. Even those farmers that had access to land and relatively higher output, still, did not progress into the status of capitalist or semi-capitalist farmers over time. One of the ways in which the colonial administration hindered the process of de-agrarianisation among African farmers was to have them restricted from entering the market through the unfair practices of the marketing boards and also the tenancy systems that exploited the African farmers. Like the studies of land policies, marketing policies had emphasised the continuity between colonial and the post-colonial Malawi.

After the crop failure of 1969, the Government re-organised the FMB to become the Agriculture Development and Marketing Corporation (ADMARC) through the passing in parliament of the ADMARC Act of 1971. The statutory organization was given the responsibility of not only to provide the space for smallholder backward and forward linkage markets but to also be an investment company to facilitate the development of the smallholder subsector. However, in the passing of time, though ADMARC provided a ready market for the smallholder farmers, its practices made smallholder farming less profitable as it was buying from the smallholder farmers at below market prices for smallholder grown food crops like maize and others. The surplus realised was then transferred to the urban consumers and the estate sector in form of food subsidies. The estates sector bought most of its food requirement from

ADMARC. Additionally, ADMARC also paid below the market price for smallholder export crops like cotton and tobacco.⁸⁶

In order to raise the resources for the development of the estate sector, heavy taxes were imposed on the smallholder farmers through ADMARC. For instance, some literature has indicated that the monopoly prices of ADMARC amounted to approximately a 50 percent indirect tax of smallholder farmer produce during the 1970s⁸⁷. Thus, ADMARC made huge profits from the peasants and the profits ranged from a minimum of MK152 000 in 1969 (the last years of the FMB) to a maximum of MK29 million in 1978/79 and this directly shows an apparent and real reduced rate of return to peasant labour. Of the profits realised by ADMARC, only 3.2 percent was reinvested in the smallholder sector, while 76 percent was invested in the estate sector from 1972 to 1982. The investment into the estates sector was done through direct investments of which ADMARC owned 12,350 hectares of land or through the commercial banks. ADMARC made substantial profits from this kind of arrangement of buying at below the international price received at the auction. Between 1970 and 1979, ADMARC extracted K181.9 million, of which MK29 million was used to subsidise food for the urban consumer markets and estates. At the same time ADMARC also invested MK54.1 million in estates agriculture of which 66% was through direct investments (Chirwa, 1998; Christiansen, 1984).

The basic argument of this study is that the marketing policies, characterised by keeping purchase prices for smallholder agricultural produce low, enriched the colonial and postcolonial state institutions at the same time that they made it difficult for smallholder farmers to move into and expand commercial farming and remained peasants. Additionally, the smallholder farmers had to find other sources of income such as public work, migration work, or part-time work in urban areas, and they had to concentrate their production on food crops for subsistence consumption. Additionally, the study points out that both the colonial and post-colonial states used the marketing boards to extract surplus, which impoverished the peasant farmers and without these constraints smallholder commercial production would have increased

⁸⁶ Interview with key informants. Additionally, the interview the study had with a former CEO of ADMARC provided very good insights on the history of ADMARC and the issues it underwent over the years.

⁸⁷ See for example, Christiansen (1984), Mkandawire (1999), and Khaila (1992).

steadily and thereby reducing poverty, increasing food security and enhanced economic development.

Through the key informant interviews, the study has also noted that the other way in which the peasant smallholder farmers were exploited and impoverished was through the minimum wage for the estate labourers. In Malawi, much of the smallholders were involved in less capital-intensive food crops like maize, groundnuts and cotton, while the labour intensive crops such as tobacco and tea were mainly grown by capitalist estates sub-sector. These estates made their profits through, among others, paying wages that were below subsistence costs. Chirwa (1997) indicate that this was also achieved by manipulating the labour supply market conditions. In the colonial period, the labour market was manipulated by, among others, increasing the hut tax outside of the estates. This provided an incentive for the people to remain as tenants on the estates to be able to raise money for the tax. However, this time around, the pressure on land, especially in the southern region, meant that more farmers could not manage to make a living on agriculture but to supplement their livelihood with wage labour and mostly in the tea and tobacco estates. Further, as pointed out by Mkandawire (1999), the land pressure was also coupled with what was happening on the ADMARC markets, where the low returns of selling through ADMARC made smallholder farming less profitable, that at times, wage labour in the estates looked more attractive than to wholly depend on the proceedings of selling through ADMARC. This kind of situation made the peasant farmers to gladly accept what the estates had to offer.

The other means of labour exploitation within the estate system, as noted through three key informant interviews, was the tenant system. The origins of this system date back to the beginning of the century and was enshrined in the *thangata* system that was explained much earlier in this thesis. It was estimated that about 589,000 rural dwellers were tenants in the mid-1980s on estates and they actually constituted the main labour force on the burley tobacco estates (Mkandawire, 1999). Tenants lived in extreme poverty and were subjected to exploitation. In most cases, their produce was under-priced due to deliberate under-grading of the tobacco by estate owners. Often there were no formal written contracts between the estate owners and tenants and this provided the space for manipulation of the distribution of proceeds in favour of the

estate owners. However, if such formal contracts existed, they were one-sided and gave an overwhelming advantage to the estate owners.⁸⁸

5.3.5 Key Observations in the post-colonial era (1964 – 1979)

In summary, this section has presented key issues that the study noted of the institutional changes in as far as land, marketing and the general approach to agriculture development was done in the immediate post-colonial era from 1964 to 1979. It has traced the institutional changes and how those changes affected or influenced the modernisation of the smallholder sector and how the smallholder sector was generally related to the estate sector. This kind of relationship, where there are institutionalised controls and access to land and markets, has a great bearing on how agrarian change happens. The study has shown that although the smallholder sector played a crucial role in the agricultural sector and the economy generally, the agricultural policy was not in their favour as it supported the estate sector more. Apart from the fact that the smallholder sector was taxed through ADMARC to support the growth of the estates sector which in turn stifled any attempt at an agrarian revolution, there was also an uncontrolled transfer of land from customary to leasehold thereby decreasing the hactarage of the smallholder thereby thwarting any meaningful participation in commercial agriculture. At the same time, the smallholder farmers were being barred from growing certain crops like flue cured tobacco through quotas and other means like the demand that such kind of crops be grown on registered land of which most stallholder farming was being done on customary land. The estates sector apart from the fact that they had access to resources extracted from the smallholder subsector, they also had access to cheap labour, which was made available through market manipulations and the tenancy system.

The study has also noted of the deliberate policy of segregating the smallholder sector, through the *Achikumbi* programme. These so-called progressive farmers were given a lot of incentives as compared to the rest of the smallholder farmers and this arrangement contributed to the stratification of the smallholder subsector. The programme was initially supposed to be a model of providing encouragement for the rest of the farmers to follow suit but the subsequent politicization of the programme

⁸⁸ Much of the insights from this section were obtained from the key informant interviews the study had.

made it difficult for the other farmers to breakthrough into this category. The *Achikumbi* farmers, although already well-off, were given all the incentives like preferential extension support and credits.

As stated in Chiningo (2015) and Khaila (1992) the post-colonial era started with populist tendencies of Dr. Banda who abolished several of the colonial era ordinances that he felt were oppressive to the African farmers. Most of the processes in the aftermath of independence indicated a political will to develop the smallholder subsector and that it would be given all the attention and support it needed to develop. Reforms on land tenure systems and markets seemed to be going towards the development of the subsector. However, after Dr. Banda had consolidated power and seeing the slow progress in the development of the smallholder sector, attention shifted again towards the estates.

5.4 Privatization of Agricultural State-Owned Enterprises

After an analysis of the colonial and post-colonial issues, the study further analysed other issues that took place in the post-colonial era but this time during the period of the structural adjustment (1980 – 1994). Under the period, the study mainly concentrated on three issues namely, removal of subsidies on agriculture, liberalisation of the market and privatisation of state-owned companies. This section presents some of the issues that came up during the discussions the study conducted with the Public Private Partnership Commission (PPPC) and some farmer groups in Lilongwe, Blantyre and Thyolo districts. In Blantyre the study interacted with farmers of Shire Highlands Milk Producers Association, while in Lilongwe we met the Central Region Milk Producers Association and in Thyolo were farmers of Mchinganji Farmers Association at Satemwa. This section highlights the privatisation processes and how these processes impacted on people's livelihoods and agrarian change in Malawi.

Privatisation, which was one of the conditionalities under the SAPs, was a process that entrenched a liberal market environment in Malawi. As such the study was interested to know how the changes that took place under the process of privatisation altered the way the farmers interacted with the former state-owned companies now privatised entities. These farmers, especially those the study met at Satemwa, grew tea

and had been part of the now privatized Smallholder Tea Authority⁸⁹. Those the study met in Blantyre were those belonging to the Shire Highlands Milk Producers Association, who have over the years been selling their milk to the now privatised Malawi Milk Marketing (MMM). The southern region plant of MMM was privatised as Malawi Dairy Industries and by the time the study was conducted, the entity was further sold to Dairiboard Malawi Limited. The central region plant was privatized as Lilongwe Dairy Limited. The entire privatisation at the time of the study had laid off about 100 state-owned enterprises. These were the ones deemed as not making any profits and at the same time they were not the suppliers of essential services like water, electricity and others. The interviews that the study conducted at the PPPC were mainly to understand in detail how these processes were being done, how much the farmers were involved in these processes of privatising the companies especially those that directly affected their livelihoods, for instance, the commodity authorities like the Smallholder Tea Authority.

To achieve a smooth privatisation process, the Malawi Government established the Privatisation Commission in 1997, which was a project aimed at facilitating the transfer of state assets into private hands. These companies were especially those that were run down, had negative value and were continually making losses and depending on Government bail out every year. For most of the enterprises, especially in the agriculture sector, they were sold wholesome to the private sector, as in the case of the Smallholder Coffee Authority and most of the companies that were procured whole were taken by foreign companies as most indigenous farmers had no capacity to achieve this. The other process was where the previous direct beneficiaries and partners were given the first priority, in this case the selling of other commodity authorities like the Smallholder Sugar Authority, saw the farmers owning the privatized firm in part which is called the Dwangwa Cane Growers Cooperative Limited in Nkhotakota and the Kasinthula Cane Growers Cooperative and Phata Cane Grower Cooperative in Chikwawa.⁹⁰

⁸⁹ The Smallholder Commodity authorities in different commercial crops started in 1965. They were established as statutory institutions under the Special Crops Act (Section 65) in order to increase participation of the indigenous farmers and balance up the one-sided European control over tea and production and marketing of other crops like coffee and sugar.

⁹⁰ Interview with an official at PPPC.

5.4.1 Privatisation and Agriculture Transformation in Malawi

The views that the study got from the farmer groups especially those in Thyolo and also in Dowa⁹¹ (those in Dowa, talking mainly of ADMARC commercialization), as this chapter explains, show that privatisation of most of the state-owned companies has so far not benefited the smallholder farmers. Additionally, as noted by most of the farmers that the study interviewed, privatisation has brought little than expected efficiency in some of those companies that were privatized and at times produced a slower growth and a total destruction of the industry along several agriculture value chains they serve like Cotton, fruits like pineapples and Tung. This has led to more unequal income distribution and a greater economic instability for the farmers. The value chains like those of cotton and groundnuts that were serviced by companies like David Whitehead and Sons and ADMARC, respectively, are not as vibrant today, relative to what they were before privatisation of these value chain end industries. It has to be noted that there is always a mutual reinforcement between the industry and the agricultural production, where the demand from the industry for raw materials produced by the farming community provides an incentive for increased and improved production. The failure of most of the privatised company to maintain the demand for raw materials led to a drop in subsequent production and at times the collapse of the entire value chain.⁹²

The expectation was that the increased efficiency of the privatised entities will lead to growth and transformation in the structure of the agriculture sector in Malawi, thereby bringing about an improvement in peoples' livelihoods. However, very little progressive structural transformation has taken place in the country's agricultural sector in recent decades either through privatisation or other forms of structural adjustment. It has led to the destruction of peoples' livelihoods especially those that depended on crops like groundnuts, cotton, tea and other crops where privatisation took place and this has further derailed the development of the concerned value chains. This has been depicted in the fact that instead of diminishing in importance in terms of its percentage contribution to the GDP,⁹³ the agricultural sector, especially

⁹¹ Interview with a farmer from Mdapepuka Farmers Association in Dowa.

⁹² Interview with the former President of the Farmers Union of Malawi.

⁹³ Most literature has used this as an indicator of agrarian transformation. The irony is that the more the contribution of primary agriculture to the GDP the little the agrarian transformation is taking place (for more details on this, please refer to chapter 4.1.1).

primary production, is becoming increasingly the highest contributor to the country's overall economic portfolio. The percentage contribution of agriculture to the GDP has been between 35% and 40% in the past 40 years (GoM, 2017). To a greater extent, the increase in importance of the agricultural sector in Malawi is attributed to the devastating effects of structural adjustment programmes (SAPs) on the manufacturing sector of which arbitrary privatisation, of both performing and non-performing state-owned enterprises, was one of the factors. This was also noted in literature (See, for example, Chinsinga, 2010). In agreement with what the farmers noted, Chinsinga further pointed out that most of the industries that were closed down from the mid-1980s and 1990s were state-run enterprises that could not survive competition of market liberalisation and therefore privatisation of these entities never brought about the desired results and some further closed after being privatised. Additionally, most of the SOEs also closed because they no longer enjoyed subsidies and subventions from the government, which helped keeping them afloat for a number of years.⁹⁴

The study therefore notes that privatisation of the state-owned companies had generally worked counter to the process of de-agrarianisation in Malawi, as the slowdown in growth or the death of most industries that provided a ready market for produce disincentivised production and growth in the rural economy. At the same time most of the privatised entities were not providing to the farmers the same conditions as before being privatized. The pricing system, transportation, storage conditions were then very prohibitive to the farmers. For instance, focus group discussion involving 11 farmers that the study conducted at Mchinganji Farmers Association at Satemwa in Thyolo, the farmers indicated that the Smallholder Tea Authority provided the farmers much better conditions and prices than the current owners of the company, Mulli Brothers. It was indicated that out of 240 farmers that made up the association, about 101 farmers, most of them that used to grow tea under the Authority, had either stopped producing altogether or had reduced their production and started growing other crops like maize and bananas. Similar narratives came up as the study interacted with the farmers in Salima, Dowa and Mchinji, where changes in

⁹⁴ The rapid rate of de-industrialization was further reinforced by rampant infrastructure decay which was inevitable due to the implementation of SAPs. The industrial sector was further negatively affected by the dramatic devaluation of the local currency. Being reliant on imported raw materials, the devaluation of the currency inflated their operational costs which most of these industries could not sustain. The contribution of the manufacturing sector to the country's GDP declined from 16 to 11 percent between 1994 and 2004 either because of the total collapse of some industries or relocation of these industries to neighbouring countries within the region (FAC, Working Paper number 039, p5).

the legumes, especially groundnuts procurement by ADMARC through the closure of most of its rural markets, had negatively affected production, marketing and people livelihoods. Agrarian change, especially the process of de-agrarianisation, entails a change in farmer livelihood for the better and what privatisation, under the structural adjustment, did in general worked counter to these expectations.

In conclusion, privatisation of state-owned enterprises was meant to be an initiative that would act as the driver and an incentive to improving the efficiency in the running of privatised SOEs. The thinking was that these SOEs, while in private hands, would be well managed; due to increased sense of ownership, they might have used all their ingenuity and innovative ideas to sustain them but also to remain competitive on the market. Most of these companies, in the public hands, suffered from apathy from those managing them but also at the same time they enjoyed a false form of monopoly that was externally driven and sometimes by law. This situation led to most of these enterprises to be perpetually loss-making institutions and being a drain on public resources. However, despite all these, one important thing to be noted, as was the case with institutions like ADMARC and most commodity associations, was the role they play in making most of the value chains to be active and achieve some level of multiplier effects that helped to reduce poverty. Privatisation, as was the case with market liberalisation, contributed to the collapse of most of the local agriculture value chains as capital flight of companies like David Whitehead that externalised some of its machinery led to some of the promising enterprises to close down. At the same time, international takeover of most of the privatised SOE like Mulanje Canning factory, which mostly characterized the privatisation process in Malawi, led to some of the privatised SOEs to close down and capital and technological expertise was relocated to other countries.

The process of agrarian change is accelerated by the peasantry's access to markets or participating in value chains that provide a stable access to the market. Privatisation, therefore, contributed to the disruption of the agriculture market and led to a collapse of some value chains like that of cotton. This has led to some of the former cotton farmers who depended on institutions like the now privatized David Whitehead and Sons to be pushed into the fringes of the peasantry and underdevelopment. At the same time the failure to live up to expectation of most of these companies resulted in most workers being laid off and in the process releasing a lot of idle labour into the

communities, a scenario that led to most people who had ‘graduated’ from the peasantry to go back into being peasant farmers. Additionally, the changes in rural market dynamics that followed privatisation and liberalisation of the market were not in favour of the peasant farmers, who are mostly poor, illiterate and disorganised as most of them were now at the mercy of the traders in terms of pricing for both the output and input market. In most cases these market relations have been exploitative. Privatisation of agriculture SOEs, therefore, which was one of the conditions under the SAP, has mostly been one of the major drivers of re-peasantisation of most rural communities in Malawi.

In the proceeding subchapter, the study further explains its findings on the processes of globalisation, which has become one of the most important phenomena influencing institutional change in the agriculture sector in Malawi, in much of the post-adjustment era (1994 - 2017). As pointed out earlier, some of the most important things that the study noted as being crucial to the process of agrarian change in Malawi, in the post-reform era, were climate change, democracy and globalisation. However, for the sake of continuity of the institutional trail that the study is following, especially on markets, the study results in the subchapter dwelt more on the processes of globalisation and how it is currently impacting the growth of the agriculture sector in Malawi. In Chapter 4.2.5, the study provided a theoretical background to globalisation and how it is being driven by different schools of thought. The chapter further explained the conceptual linkage between the processes of adjustment like liberalisation and privatisation and how they are linked to globalisation. It further explained how, through globalisation, there is a renewed link between the core and peripheral countries through the MNC and other international capital transfer mechanisms. The interest of this present study is on how all these are affecting the process of agrarian change in countries like Malawi and how the people’s livelihoods are being impacted. To have a broader overview of the impact of globalisation on the livelihoods of the farming communities in Malawi, the study made an enquiry of the tobacco marketing, which is the most internationally linked value chain in Malawi at the moment.

Malawi and Global and Regional Policy Frameworks

Before interviewing the farmer groups in the communities and also other people on how globalisation is affecting them, the study interacted with a top government official at the Ministry of Trade, to highlight the kind of protocols that Malawi has signed over the years that are helping it to integrate into the world economy. According to the Ministry of Trade, some of the global and regional agreements to which Malawi is party to, which have a bearing on agriculture trade and its eventual exposure to global competition include the following:

Economic Partnership Agreements (EPAs). These are agreements between the EU and African, Caribbean and Pacific countries and regions aimed at promoting ACP-EU trade – and ultimately contribute, through trade and investment, to sustainable development and poverty reduction. The EPAs have a huge potential to significantly affect Malawi trade with the EU, especially of products in agriculture. In the mid 1970 to late 1980s, Malawi used to be the largest exporter of groundnuts to the EU, but in the mid-1980s, the EU started imposing conditions, like lowering the aflatoxins margins in legumes and this made it difficult for Malawi's groundnuts to enter the EU market. Under the EPA, Malawi has a greater chance of renegotiating such deals. These opportunities have a huge potential of transforming the livelihoods of smallholder farmers in Malawi.

Comprehensive Africa Agriculture Development Program; Malawi, as a member of several regional economic groupings, has to align its development activities to be consistent with achieving the development targets set at regional level. Under the New Partnership for Africa's Development (NEPAD), Africa's Heads of State and Government have recognized the critical importance of agriculture as the cornerstone of sustained growth and poverty reduction through adoption of the Comprehensive African Agricultural Development Programme (CAADP), a strategy to put African agriculture on the path of strong and sustained growth. The principles of CAADP include achieving a 6 percent agricultural growth and allocating at least 10 percent of budgetary resources to the agricultural sector (NEPAD, 2014).

Common Market for Eastern and Southern Africa Protocol. COMESA (as defined by its Treaty) was established ‘as an organisation of free independent sovereign states which have agreed to co-operate in developing their natural and human resources for the good of all their people. It was established in 1994. *The Africa Continental Free Trade Area*: The agreement to establish the Africa wide free trade came into force on 30th May 2019 for the initial 24 countries that had deposited their instruments for ratification. The main objective of the trade area is to create a single continental market for goods and services, with free movement of business persons and investments and thus pave the way for accelerating the establishment of a customs union.

The instruments as highlighted above and other bilateral agreements that the government of Malawi has signed have a huge bearing on agrarian change as they help opening up the local market to international processes. These processes can have a direct negative or positive impact on the livelihoods of farming communities. What this study has observed is that the opening up of the Malawi’s agriculture sector has generally had a negative impact as cheap products, like second hand clothing have led to a collapse of cotton value chain in Malawi, leaving in its wake devastated livelihoods of a lot of farmers and most wage-labourers in the cotton value chain. However, if these opportunities are well utilized, they have potential of having a positive impact on the process of agrarian change in Malawi.

Full domestication of some of these protocols has also been problematic in Malawi. Some of the issues leading to this slowness are as outlined below.

Box 1: Challenges in the Domestication of Global and Regional Protocol

For Malawi, at least domestication of regional and global frameworks has faced a number of challenges. Some of them include the following challenges: 1) *Political Will*. This is probably the main reason why most international treaties and protocols, signed by the country take time to be domesticated in the national legal and development frameworks. This could be due to the fact that these international treaties are at times not in line with the prevailing political economy situation in the country. For instance, the Malawi Government signed the International Covenant on Civil and Political Rights (ICCPR) on 24th November 1966 but was ratified on 23 December 1993. The same goes for the International Covenant on Economic, Social and Cultural Rights (ICESCR), which it signed on 16th December 1976 and was ratified on 22nd December 1993. The provisions from these covenants found their way into the Republican Constitution of Malawi developed in 1994 and other development frameworks like the Food Security Policy in 2000. This delay in domestication was due to the fact that issues of human rights before the coming in of multiparty democracy were only discussed in academic circles due to the kind of governance system that was prevailing in the country. 2) *Capacity (Human and financial Resources)*. Domestication is also a challenge due to issues of capacity. These capacity gaps are in several dimensions, they could be financial, human or technical. For instance, there are some regional frameworks that require governments to set aside a percentage of their budgetary allocations to a certain sector. The Comprehensive Africa Agriculture Development Program (CAADP) requires that countries allocate at least 10% of their budgets to agriculture in order to achieve at least a 6% growth, the continental framework on Education requires at least 15%. This kind of benchmarks make countries to always be in default of meeting these obligations. At times it could be an issue of capacity in the ability to effectively translate these international obligations into local frameworks. Malawi has had this challenge for quite some time, in the sense that most Government Departments are poorly staffed and in some cases these staff do not have the required technical expertise. 3) *Overlaps of timeframes (especially for time bound international framework)*. At times there are overlaps between the timelines of the international frameworks to those of the local frameworks. These at times present challenges of alignment and also contradictions in implementation milestones between the national and international frameworks. For instance, the Agenda 2063 runs from the years 2016 to 2063. However, this has to be domesticated in the Malawi development frameworks, most notably the Vision 2020, which already is currently in operation and some of the entries in it could be in contradiction to the continental agenda. When the next vision is developed after 2020, it may not run up to 2063 meaning that even if it is directly aligned to the Agenda it may not measure up to the continental targets. At the same time, the national vision has to directly address local issues that may not be closely related to what the continental agenda is trying to address. Related to the same, the national implementation framework for the Millennium Development Goals in Malawi was the Malawi Growth and Development Strategy II, however the MGDSII, which was supposed to cover the period of five years (2011 – 2016), faced several challenges in its implementation process as at some point, in July 2014, it was completely abandoned by Government in favour of the Economic Recovery Plan (ERP). The ERP direct focus was to deal with a prevailing national economic crisis. This caused a huge disruption in the momentum gained in the achievement of the MDGs in Malawi through the MGDSII. 4) *Contradictions in the content between global and regional frameworks*. Proper domestication also becomes a huge challenge when the country is a signatory to several contradicting treaties and protocols that are all supposed to be domesticated through one national policy framework. For instance, Malawi has been at pains to finalise its seed policy as its supporting international frameworks are in sharp contrast to each other on how to define and understand what a seed is. Malawi is a signatory to the International Treaty on Plant Genetic Resources for Food and Agriculture, which aims, among others, to promote agro-biodiversity and farmers rights. At the same time, it is a signatory of the COMESA Seed Harmonization Framework and also the SADC Seed Protocol, whose main interest is to promote trade. At the national level, all these documents are to be domesticated through the National Seed Policy and its associated regulations and laws. However, the contradictions in these frameworks made the development of the seed policy to be a challenging process as different groups of the civil society promoting different interests put the Government under pressure to prioritise a framework of their interest in the policy. However, it has to be noted that despite all the challenges faced in the process of domestication, Malawi has successfully domesticated and implemented a number of international and regional protocols and treaties. For instance, Malawi has been one of the star performers in the implementation of the Comprehensive Africa Development Programs (CAADP).

Source: Key Informant Interview, 19th June, 2019, with the Former Secretary of

Agriculture

5.4.2 Malawi Agriculture in the Globalised World

Agriculture in many poor rural areas in Africa, including Malawi, has been affected by two major policy changes over the last thirty years. These major policy shifts include a large reduction in public investment in agriculture and a major emphasis on liberalisation of the agriculture sector. All the respondents that the study interviewed agreed that the Malawi agriculture sector and the state of the farming community is to greater extent a reflection of these two policy shifts. These have all been part of the economic reforms that came as a result of the structural adjustment programs from the early 1980s in Malawi. Additionally, the reduced investment is attributable partly to perceived failure of earlier investments and to the growing importance of non-farm activities in rural livelihoods⁹⁵

As pointed out earlier, agricultural liberalisation emerged as a reaction to fiscally unsustainable state intervention in agriculture, with high costs for low quality services. It was envisaged, therefore, that there is need to come up with a new policy framework that brings in the discipline, incentives, and resources of the private sector to perform these functions more responsively and efficiently. This led, among others, to removal of regulatory controls in agricultural markets, elimination or reduction of subsidies and tariffs, and reform or privatisation of parastatals. However, in addition to these issues, the Malawi agriculture continues to be faced with a number of contemporary challenges that are coming as a result of globalisation.

One of the most important crop value chains in Malawi that is also very much linked to the international markets is that of tobacco. Tobacco accounts for over 70% of Malawi export revenue. The interviews that the study conducted at the Farmers Union of Malawi, at ADMARC and at the Tobacco Commission provided some insights into the tobacco marketing issues in Malawi. It was indicated that the tobacco marketing processes are dictated by the trends at the global level and the tobacco market and value chain provides a good case study and is a true reflection of the effects of globalisation to the Malawi agriculture sector. It provides a good basis to analyse how the integration of Malawi agriculture to the international market impacts on the livelihoods of the farmers and also on the process of agrarian change. It has to be noted that currently under the Integrated Production System in tobacco, the decisions

⁹⁵ (for further information on this, see Dorward et al., 2004).

on pricing⁹⁶, quality of the leaf, the quantities to be produced, the varieties of tobacco to be grown and even the methods of production are determined not by the farmers or local institutions but by the international players. The Malawi leaf is predominantly produced for the international market as there is little manufacturing and consumption of the end products from the leaf locally. As such, any standards for the market is determined by the ultimate consumers. The tobacco value chain differs from crops like tea, coffee and other crops that Malawi also exports to the international market because the commodities being traded are not consumed locally. In other words, if there is failure to export, the entire commodity is wasted.

The other issue to note about the tobacco market is that the entire market in Malawi is a ‘dollarised’ market. That is to say, all transactions in the tobacco market are transacted in US dollars. The farmers, however, are paid in Malawi Kwacha. The implication of this is that anything that happens to the currency has a direct effect on the transaction and income of the farmers. The volatility of the Kwacha has made tobacco market to be very unpredictable especially for the farmers who are not paid in the hard currency. The other global issue having a huge bearing on the local market is the one popularly known as the international anti-smoking lobby by the World Health Organisation (WHO). Since 1993, WHO has been leading a campaign to phase out smoking from the world as it has been noted that smoking is one major cause of health related death in the world, especially among the youth.

As such WHO came up with a treaty called the Framework Convention on Tobacco Control in 1993, whose main aim was to promote the health of future generation. The treaty, which has 18 articles, tries to control all areas in the tobacco value chain from seed to smoke. The Treaty has provisions controlling the trade on tobacco seed, leaf and cigarettes. According to the information the study got at the Tobacco Commission through a key informant interview, Malawi tobacco sector and the livelihood of the farming community is being affected mainly by articles 9, 10, 17 and 18 of then treaty. These article specifies that plain packaging of cigarrate should be mandatory and additives in the cigarrates should be banned. Burley tobacco, which is the main tobacco variety for Malawi, is regarded as an additive in tobacco cigarrates. As a

⁹⁶ The price at which the companies buy the leaf from the farmers is not decided upon based on the cost of production of the farmers but the profit margins of the companies. In other words, it is the buyers who decide on the price and not the producers.

result of this ban, burley use in tobacco manufacturing is declining at a rate of 1.3% per annum. The treaty is targeting a decline in smoking worldwide to be at 11% by the year 2022 and by 2030 the projection is put at 30%⁹⁷.

The other important issue of global concern affecting the Malawi tobacco sector is the issue of child labour. As a result of this, Malawi has been given one year grace period to end child labour or to stop exporting tobacco to the US which is one of the top 10 countries where Malawi exports to. All these challenges have a spillover effect on the farmers in terms of prices that they will be getting from the tobacco companies. There is a high likelihood of a decline in revenue for the farmers and this means, most likely, a reduced prospect of getting out of poverty as a result of tobacco growing. The reduced demand will also mean that more farmers have to be taken out of the tobacco production to other alternative crops.

The observation made by the study is that the issue of child labour is exacerbated by the geographical differences in understanding of what child labour and domestic work are all about. Culturally, in Malawi, children do domestic work which in most cases include farming and at the same time, the finer details of production of crops like tobacco needs one to start learning the production cycles and requirements in earnest. This has been the trend in Malawi where skills have been passed from one generation to the other. The International Labour Organisation also recognizes that parents have to pass on skills to the future generation. According to the Tobacco Commission, however, the ILO has defined child labour in the tobacco production in that any child below the age 14 years cannot be subjected to any work such as that done in tobacco production. Those above 14 can work for a maximum of 8 hours per week but they must not do work such as tobacco harvesting. At the same time they should be provided with protective gear, which is very expensive for most farmers. However, some of these issues are being addressed, especially for those farmers under the Integrated Production System (IPS). Under this system, the tobacco companies are supplying the farmers they contract in order to meet the international compliance standards to tobacco production. These requirements are having a direct effect on the tobacco selling under auction as most farmers selling under auction cannot meet these requirements.

⁹⁷ Key informant interview at Tobacco Commission

The effects of globalisation are becoming more obvious on Malawi's agriculture and in most cases they are not working in favour of the Malawian farmers. The current set up of the globalisation drive is working counter to the prospects of the Malawi smallholder farmers from benefiting from what is happening internationally. Although Malawi is a signatory to a number of international treaties on trade and development, these are not benefiting the Malawi agriculture sector because it is structurally not ready to compete and meet the standards and conditions of the world market. Crops like tobacco that are sold at a globalized market system are one such example that globalisation is not yielding the benefits. Malawi therefore needs to rethink its national institutions as they relate to the international frameworks. It will be difficult to completely detach itself from the international processes, however, the pace at which globalisation is affecting Malawi negatively especially on important value chains like tobacco, agrarian change may not positively happen in Malawi.

5.5 Conclusion of the Study Findings and their Implications on the Objectives of the Study

Agrarian change is a process that results from various factors such as production factors, psychological and social factors, and political and economic governance. This present study has made an analysis of how some of these factors have been influenced by institutional formations over the past 100 years in Malawi. It aimed at critiquing the institutional framework that have influenced agrarian change in Malawi. The study has traced institutions on land, marketing and production during the colonial and post-colonial periods. Additionally, it also looked at how structural adjustment reforms contributed to agrarian change in Malawi and further how contemporary issues like globalisation are also acting as agents of agrarian change. The study has noted that deliberate institutional formations had placed the factors of production (land, market and capital) under the control of a small group of people that have in the end become so powerful as to control the institutions that determine whether the majority of the farmers remain peasants or not. This has been observed on all the epochs under study. Initially, during the colonial period, the study has found that it was the white settler farmers who were the direct beneficiaries of the kind of institutional arrangements prevailing and then in the post-colonial period a small group of local elites who included a few estates owners took over. These elites had

influence on governance, institutions, laws and regulations and their influence were utilised to serve their purpose at the cost of the poor and marginalised people who constituted a large section of the population of Malawi. The study has identified some state laws and ordinances, regulations, policies and strategies on land, markets and to some extent on production and how crucial they had been for agrarian change in Malawi. To achieve this, the study addressed three objectives.

Firstly, the study established the characteristics of major institutional frameworks implemented in Malawi from 1900 to 2017 to achieve agrarian transformation. This has been achieved by tracing the major institutional changes over the period under review by identifying their similarities and how their development and changes had a bearing of the change in the agriculture landscape in Malawi. The study has proved that these changes have been path dependent as any form of change was influenced by the failure to meet the objectives of the previous institutional framework.

This study has proven that Institutions, which are defined as humanly devised rules of the game and the constraints that shape human behavior and interactions, have been at the centre of shaping the agrarian structure in Malawi. Over the period that this study was looking at, a number of institutional arrangements were devised, which provided advantage to one category of people at the expense of others. During the colonial period (1900 – 1964), a number of laws and ordinances were created that governed the distribution of land among the black indigenous farmers and the white settlers. Some also controlled the entry to the market of the black farmers and also their production of certain kinds of crops. It has been noted that initially the acquisition of land by the white settlers was done out of deceit, taking advantage of the different understandings between the white settlers and the local chiefs of the land transactions. Ordinances that were developed afterwards (most especially after the establishment of the protectorate in 1891 and the Department of Agriculture in 1908) eventually legitimized the unlawfully acquired land. In most cases, much of this land was arable land suitable for farming and the black farmers were being pushed into the marginal land. This kind of arrangement resulted in low productivity among the African farmers and a continued state of peasantry. At the same time, black farmers were hindered from benefiting from the lucrative markets of such crops like tobacco through the creation of bodies like the Tobacco Control Board. This meant that although some of the black farmers could manage to grow the crops for the market,

the market ordinances and institutions provided yet another hindrance for them to breakthrough from peasantry. This state of imbalance in land ownership especially in the Shire Highlands still exists upto today. Additionally, access to credit and subsidized inputs was a privilege for the white farmers and a few progressive black farmers.

In the post-colonial period (1965 – 1979), the situation was not very different for the peasant farmers (now called smallholder farmers). There was a huge promise at the start of the post-colonial period for the smallholder farmers as the new Prime Minister, Dr. Banda, took a populist approach to remove the perceived oppressive ordinances and enacted laws and brought about progressive programs like the Lilongwe Land Development Programme that enabled black ownership of land and potentially graduating them into semi-capitalist farmers. As pointed out earlier in this thesis, he also abolished such ordinances like the Land Use Ordinance and also the Native Tenants Agreement Ordinance, among others. These were some of the laws that the colonial Government was using that hindered an inclusive development and agrarian transformation, especially among the Africans. However, what has been observed through this study was that this gesture never lasted that long when Dr. Banda lost trust in the smallholder farming as a bedrock for development. He started again favouring a certain category of progressive farmers known as *achikumbi* thereby returning to the colonial progressive farmer concept, which continued to be the same tool for perpetuating unfair segregation of the farming community. The focus returned to the estates sector. A similar scenario of oppression was also orchestrated through marketing institutions like ADMARC, which provided prices for smallholder farmers at a much lower than the market value. Thus, ADMARC extracted surplus from the farmers and exacerbated poverty and underdevelopment. The other period of interest to the study was the period of structural adjustment (1980 – 1994). This period was mainly characterised by structural changes to the economy to ensure efficient performance. Among the changes that took place in the economy include those in the agriculture sector. This study was mainly interested in those changes including the removal of subsidies, the liberation of the market and also privatisation of the state-owned enterprises. The structural adjustment did not bring any significant changes in terms of land matters which had been of interest in this study. However much of the changes that this study has focused on were mainly to do

with the market and marketing issues. The removal of the subsidies negatively affected the smallholder communities and contributed to the increased vulnerability to hunger as the subsidies provided probably the most important means in which most of these farmers accessed the farming inputs like seeds and fertilizer.

The other area of interest under the structural adjustment period was the privatisation of the state-owned enterprises. This process, as was the case with the liberalisation of the market was aimed at improving efficiency in the operation of the once state-owned enterprises but now under private ownership. Privatisation, just like liberalisation, disrupted the marketing of agricultural produce by the smallholder farmers. The absence of a reliable market exacerbates poverty among smallholder communities in Malawi.

In the contemporary period (1994 – 2017), the study dealt much on the issue of globalisation and how this phenomenon is affecting agrarian change in Malawi. Globalisation is very much linked with marketing liberalisation and privatisation as these formed the basis for institutional formation that facilitated the entry of Malawi into the global market. This study has revealed that globalisation is creating a scenario which is a replication of mercantilist imperialism, however this time under the guise of free trade. Meanwhile, Malawi has signed a number of international treaties and protocols to facilitate trade between Malawi and other countries and at the same time the economy of Malawi is much more open for foreign direct investment. However, these have a huge bearing on how agriculture and rural livelihood are being shaped. Consequently, with the exploitative nature of most of these arrangements, there is a high likelihood that poverty and further re-peasantisation of the rural communities will be the order of business.

In all the four periods under study, it has been noted of the important role that institutions have played in shaping the course of agrarian change. The current agrarian structure in Malawi is a legacy of what has been taking place over the past 100 years and more. The state of underdevelopment of most communities in Malawi has come about at times due to the conscious decisions made by the elites to create institutions to maintain the status quo.

The second objective of the study was to assess the factors that led to institutional change for agrarian transformation in Malawi during the period under review. The

study has analysed the critical junctures and the kind of changes in the institutional formation that those junctures brought forth. In the past 100 years under study, the agriculture sector has experienced a number of moments and critical junctures that have provided a turning point in how agriculture policy was being planned and implemented. Some of the moments that the study has explored include the following: Establishment of the Protectorate over Nyasaland in 1893, which assisted in institutionalising most of the agreements on land that were made prior to the protectorate. The study also looked at the significance of the establishment of the Department of Agriculture in 1908, which provided the initial form of institutionalised agriculture sector. This led to the establishment of ordinances and bodies that regulated land issues, markets and production of certain crops. The study also looked at the landmark events like the Second World War in 1945, 1949 famine and independence in 1964. It looked at how these influenced changes in policies and line of thinking in as far as institutions and structures are concerned. The study also looked at the establishment of the structural adjustments in the 1980s and how these brought a change in the relationships between the state and the farming communities. The study also analysed the effects of globalisation on Malawi agriculture through its entry into international processes. The study has noted that these critical junctures indeed brought about a significant change in policies that had a huge bearing on agriculture development and agrarian change in Malawi.

Thirdly, the study wanted to establish the extent to which the institutional frameworks and structures and their changes have contributed to food security status. Food security is currently the most important indicator of the performance of the agriculture sector in Malawi, as over 90% of the food comes directly from agriculture. The current food security status for Malawi is, in the view of this study, a legacy of the kind of institutions we have put in place and the changes that have happened over time. In analysing the food security status, four elements of food security need to be taken into consideration and these are: availability, accessibility, stability of supply and food utilization. This sub-chapter presents the thoughts based on the literature reviews and the interviews that were conducted.

a) Land matters and Food Security

The study has mainly looked at the institutions on land, production and markets and how the formulation and change of these institutions have led to agrarian change and stratification in Malawi. Additionally, these institutional formations have not only influenced agrarian change but also food security status of those mainly at the receiving end of these changes. Notably, the alienation of arable land from Africans in the colonial and post-colonial periods robbed them of one of the most important means of production and the ability to be able to produce enough food for the growing population. It has to be noted that the existing land situation in Malawi reflects the colonial influence and failure by post-independence administrations to address the land issues. The evidence that the study obtained from the communities in Satemwa in Thyolo demonstrate the dire situation in which the communities are in as far as dwindling land size and food security are concerned. As noted earlier on, studies have shown that Malawi has one of the highest population densities in Sub-Saharan Africa, with only 0.23 hectares of land per person living in the rural areas - compared to 0.86 in neighboring Zambia and 0.40 in Sub Saharan Africa as a whole. Additionally, the government of Malawi operated without a comprehensive land policy until February 2002. This absence of a policy exacerbated the inequality in land distribution and the ineffective land administration (Machira, 2009). It was expected that the policy could have helped in addressing the unequal distribution of land, which is a prerequisite to food security.

In the post-colonial period, which started on a promising note for the smallholder farmers, the post-independence administration seemed initially favorable for the smallholder farmers, but it relented from this drive within 10 years of independence and went back to a policy in favour of the estate sector. The land laws that were put in place did not translate into much change on the ground. As a matter of fact, as this study has shown, there was still a significant transfer of land from the smallholder sector to the estates in much of the 1970s. This kind of scenario did not improve the situation for the smallholder farmers. At the same time, the unequal land distribution existing in the Shire Highlands was overlooked as the prevailing political economy of land favoured the estates sector. It has to be noted that much of the land that was going to the estates sector was not being used for the production of food crops but

such crops like tea, tobacco, sugar and cotton. The growth of the estates therefore was a huge compromise on national food security.

As indicated by Khaila (1991), the estate sub-sector grew at an average of 17 percent per annum over the period 1964-1977, while the smallholder sub-sector grew at an average rate of 3 percent per annum (well below the rate needed just to maintain food needs). Today, as a result, many smallholders' land holdings are too small to support the families that live on them, and some rural households, especially in much of the Shire highlands, are effectively landless. With the growing population, customary land has become more fragmented and the land holding sizes have declined. Average land size holding per household in Malawi is 1.2 hectares while the average land per capita is 0.33 hectares (GOM, 2016). In addition, per capita land holdings are highly skewed, with the poor holding only 0.23 hectares per capita compared to the non-poor that hold 0.42 hectares per capita.

On food (maize and its equivalent) production, Figure 1 below shows the trends measured against the minimum maize requirement of 185 kilograms per capita, Malawi was, in aggregate terms, self-sufficient in maize production in the 1960s and 1970s when there were fewer people and larger farms. Apart from land matters, the other major contributing factor affecting productivity in the smallholder sector in Malawi, as outlined previously, is the low input use, which has also come about as a result of policy decisions influenced mainly by the structural adjustment to rearrange the market and also subsidies. Additionally, as was indicated in most of the interviews the study conducted with the farmers, there is poor agricultural credit access, output and input markets, unfavourable weather and inadequate technology development and transfer all contribute to low productivity. Recently, the country has experienced a number of climate change-related hazards over the past decades, particularly increased incidence of drought, dry spells, intense rainfall with riverside and flash floods, poor distribution of rainfall, and pest and disease outbreaks.

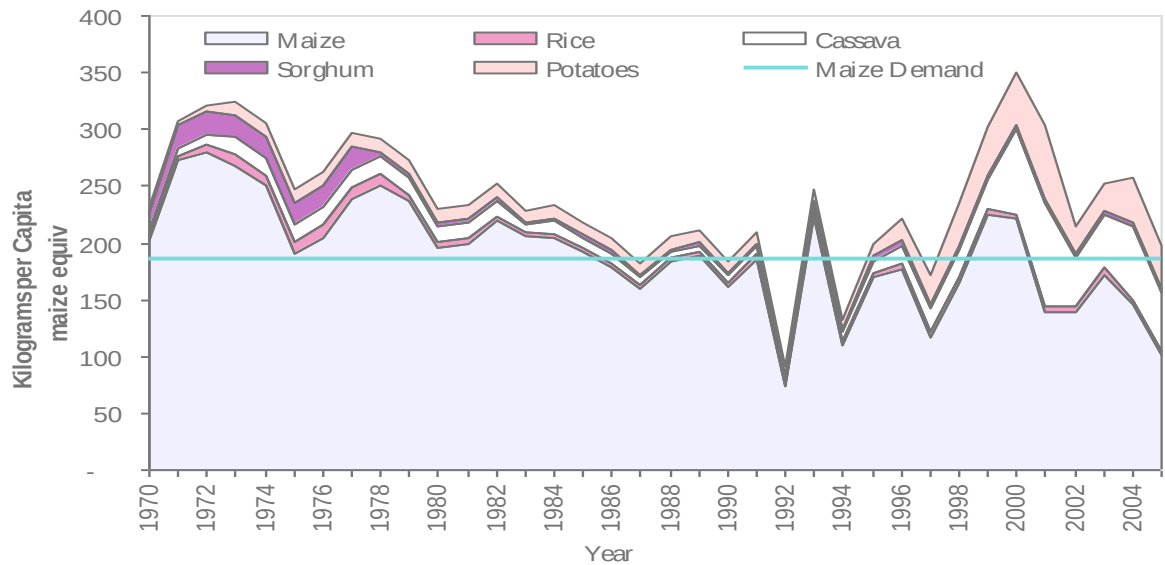


Figure 2: Per capita maize production and its equivalents

Source: Chirwa et al. (2007)

b) Reforms on Agriculture Markets.

As pointed out earlier, one of the tenets upon which food security is measured and determined is on access. Access to food is probably the most important, as availability of food does not always guarantee access. The market therefore plays a very important role in ensuring that the food that is available is accessible to all, especially those that do not produce their own food but depends on the market. The liberalisation of the market and the closure of most rural markets and also the dysfunctionality of some urban and peri-urban markets of ADMARC created a gap in the stability of supply of food to most rural and urban dwellers. At the same time the dysfunctionality of ADMARC and the removal of subsidies reduced the incentives for most smallholder farmers who are food producers from producing food crops for the market and diversify to such crops like tobacco.

On chapter 4.2.2 of this study, it has been pointed out that in 1912, the Government introduced the Native Food Stuffs Ordinance No. 12 whose aim was to preserve the food that the natives had during the famine. This was after widespread famine and it empowered the Government to restrict trading in maize and other foodstuffs. The ordinance was introduced to protect African peasants from selling their food crops to

settlers and other bulk purchasers for cash. However, this ordinance could have increased the famine by hindering free movement of food stuffs from the unaffected to the affected areas. The study noted that over time, any restriction on the movement of food does not help much in averting a food crisis. The dysfunctionality of ADMARC therefore has largely been a catalyst for the food insecurity for most rural and urban households.

c) Reduced Public Spending on Agriculture

The agriculture production and productivity of majority of the smallholder farmers in Malawi has largely thrived on the support received from the Government. However, from the 1970 to around 2005, there had been reduced real per capita investments in agriculture mainly as a result of the SAPs. These reduced support services were mainly in agriculture subsidies, credit, extension, research, and irrigation infrastructure, among others. This reduced public spending has had a corresponding reduction in the overall output and growth of the agriculture sector. The two figures below (Table 1 and Figure 2) show the level of reduced funding and its corresponding disturbance to agriculture growth. You will notice that with the introduction of the SAPs in 1981, the Government budget allocation to the agricultural sector declined from 32.2 per cent of the fiscal budget in the 1970s to 6.1 per cent from 1999 to 2005. The reduction in the share of agricultural budget is a direct reflection of government's withdrawal of services in the sector under structural adjustment programs. Since 1981, government changed priorities and reduced direct intervention in the sector.

Table 1: Agriculture Sector Government Spending Trends, 1970 – 2005

Indicators	1970-79	1980-84	1985-89	1990-94	1995-99	2000-05
Agriculture Share in Budget (%)	32.15	24.83	10.08	11.17	8.98	6.13
Agriculture Budget (\$m)	21.30	43.98	29.05	41.90	36.12	37.48
Recurrent Budget (\$m)	8.39	21.69	18.52	30.56	26.66	22.17
Development Budget (\$m)	12.91	22.29	10.54	11.34	9.46	15.31
Agriculture Spending/Capita (\$)	4.03	6.88	3.85	4.77	3.51	3.21

Source: Chirwa et al. (2007)

The reduction in Government investments meant that there were fewer resources for the smallholder farmers to support them with food production. Much of the irrigation infrastructure developed in the 1970s were done through public financing and the reduced allocation of resources meant that very little resources were available to maintain the infrastructure but also to maintain the momentum of agricultural growth experience in the immediate aftermaths of independence.

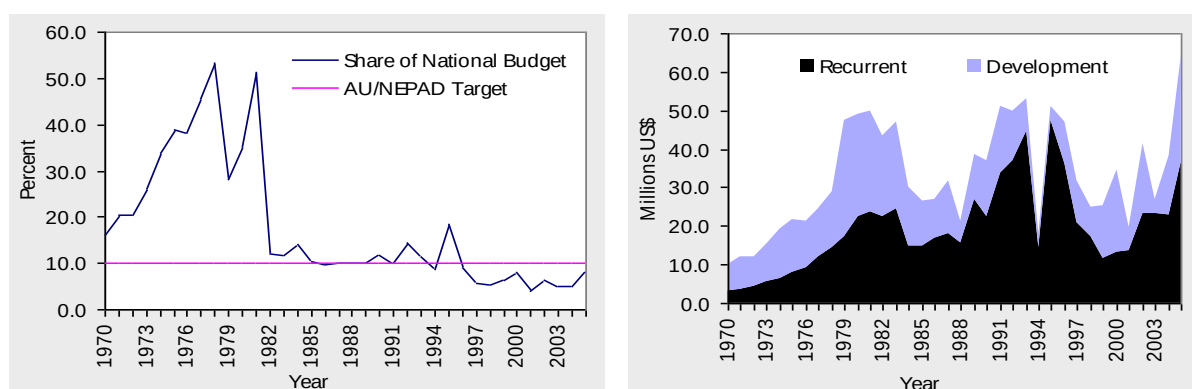


Figure 3: Trends in Agricultural Sector Expenditure 1970 – 2005

Source: GoM (2006)

However, with the re-introduction of the agricultural input subsidy programme in the 2005/06 agricultural season, the share of agriculture in the total budget increased. The agricultural input subsidy has since on average been about 14% of the agricultural sector budget with the highest being in 2010/2011 when it went to as high as 21%. For instance, in the 2006/07 fiscal budget, the allocation to the agricultural sector was US\$121 million, almost double the level in the 2005/06 budget of which US\$44.8 million was from the development budget. The share of the agricultural sector rose to 12 per cent of the total 2006/07 national budget and the development expenditure allocation more than doubled and constituted 13 per cent of the development budget.

Table 2: Trends Growth in the Agriculture Sector Output, 1970 – 2005

Indicator	1970-79	1980-84	1985-89	1990-94	1995-99	2000-05
Gross Domestic Product	5.90	1.00	3.03	0.61	6.40	1.55
Agricultural GDP	5.35	0.36	1.28	2.15	15.06	2.16
GDP per capita	2.40	-2.08	-0.20	-2.66	3.17	-0.28
Agricultural GDP per capita	1.90	-2.70	-1.89	-1.19	11.55	0.36
Smallholder Agric GDP/per capita	5.80	-4.07	-2.88	1.52	10.57	-1.78

Source: Chirwa et al. (2007)

Agriculture growth and the state of food security in Malawi has been and still is very much as a result of institutional change and decisions made on agricultural related policies and on investments. The state of food security is a major determinant of agrarian change, as development and upward social mobility of the peasantry happens when food security is guaranteed. In terms of development, it has further been shown that despite the emergence of new sources of economic growth in much of the developing world, the agriculture sector remains a key avenue to poverty reduction, food security and trigger broad-based growth⁹⁸. Studies have shown that a 1% increase in the GDP resulting from agriculture contributes about a 6% increase in the consumption and expenditure levels of the lowest 10% in any agrarian economy (Conway, 2012). For Malawi this was evident in the early years of the FISP (2005 –

⁹⁸ See World Bank, 2008.

2008) where the country enjoyed a significant GDP growth averaging 6% mainly coming out as a result of good agricultural production. This resulted in a significant reduction in national poverty level, and single digit inflation, among others. It has also been noted that a 1% GDP growth coming from other sectors like mining bring about a zero or little dent on rural poverty unless the resources from these sectors are directly invested in agricultural subsidies, agricultural credit, R&D and rural infrastructure to aid marketing linkages and access for the agricultural produce (Juma, 2010). The issues of land, markets, dependence of climate sensitive production system and weak institutions as highlighted in the chapter, are the main reason why the achievement of food security remains the agenda of government to date.

CHAPTER SIX

LESSONS AND IMPLICATIONS OF THE STUDY ON INSTITUTIONAL THEORY

6.1 Institutional change and Historical Institutionalism

The findings of this study have explained agrarian change and how institutions are at the center of such a change. Through that understanding the study is convinced that agrarian change is much of an outcome of institutional formations and change over a period of time and it is institutions that drive the direction of change, whether it is de-agrarianisation or repeasantisation of the communities. Having analysed agrarian change efforts for Malawi for a period of over 100 years, the study has noted how new ideas and conceptualisation of institutions in the agriculture sector could enrich broader debates in institutional theory. From the observations made in this study of how institutions changed, in this sub-chapter the study makes a contribution to the theoretical conversation on how institutions develop over time by building on theories of endogenous institutional change. It incorporates ideas on sustainable niche management, a concept in constructivist innovation studies⁹⁹, into the debates on historical institutionalism especially on endogenous processes of institutional change.

In chapter 3.3.1, the study explored four tenets of historical institutionalism. In doing so, it also highlighted a number of theories that scholars of historical institutionalism are using to explain institutional change. All in all, these scholars believe that institutions evolve more than are created and that, in most cases, the process of change is not mainly for functionalist purpose. As a matter of a background and also to create a context for what this chapter wants to address and contribute to theory, the study would like to highlight some of the ways in which institutional changes are believed to take place when they evolve from one form to the other.

⁹⁹ Discussed in further details in Chapter 3.3.2.

Historical institutionalists believe that the institutions change in a number of ways and these include a process called layering. This is a process by which new formal rules are added onto old ones to change their effects (Schickler, 2001). This is where new and more relevant ideas are added to the discourse to redefine a phenomenon or a regime. In the present study, such kind of changes have been observed mainly in the evolvement of marketing institutions from the colonial era up to the aftermath of the post-colonial era. For instance, in the colonial era, Maize Control Board that was formed in 1946 transformed to several institutions up until it became ADMARC in 1971. It evolved into several organizations that were created as a result of changes in operating environment and changes in marketing ordinances.

The other process in which institutions change is the one referred to as conversion, which stipulates the reinterpretation of the existing rules to serve new purposes (Thelen, 2004). This does not mean an entire change of the idea or bringing an entirely new idea but it means redefining the existing ideas to suit the changing environment. The example of this in the study was the ‘africanisation’ of colonial era concepts like the progressive farmers. This was regarded as a good concept by the post-colonial government to agriculture development and gave it a local name as ‘*achikumbi*’. However, the only thing that changed was the process of identifying these people but also their relationship with the other farmers.

The other way is what is referred to as drift. This is where the old rules are intentionally not adapted to changing exogenous conditions, with the purpose of gradually changing their effects. Examples of this kind of change include drifting away from *Thangata* system and the *Malimidwe* concept of coercive agriculture extension provision. These were done by abolishing the colonial era ordinances that enabled them. The last one is what is referred to as exhaustion and it is a process where, according to Cappocia (2016), an institution ‘withers away’ through over-extension that diminishes its capacity to do what it was originally invented to do. Examples of this kind of change could be noted in how ADMARC was redefined during the era of structural adjustment. The government reduced its use of ADMARC in providing input subsidies to the farmers but also the opening up of the produce market through liberalisations. These exerted a lot of pressure on the institution such that the ADMARC of the 1970s is not the one as of today in terms of roles in the agriculture sector.

As this study explored earlier in chapter 2.3 that in all these instances of change, it is believed that in any process of institutional change and transition there are a few issues that matter and these include the following: the history of the process and the actors fore-knowledge of the institutions and their environment are very important. Any form of future institutional design is very much dependent on the existing form and the history of the pathways taken by the institutions being changed. The other issue to note is the importance of politics as a major determining factor on the outcome of institutional design and change. This is so because any institutional formation process is guided and shaped by a contestation of ideas and interests because institutions are in most cases used as instruments of distributing advantage and resources. Institutions are vehicles for creating winners and losers, as such each player would want an institutional setup to be designed to work in their interest. Historical institutionalists also believe in the role that ideas play in shaping the direction of an institution. The rationale is that ideas have framing effects on choices, negotiations and coalitions' development. They are the mobilising force and a rallying point for societal groups like farmer associations and other political groupings like political parties, pressure groups and civil society that often seek to create or change institutions. The study also pointed out on the role of unintended consequences of institutional change. In most cases the process of institutional formation is one of fumbling through and learning by mistakes. It is incremental in nature and has a constant state of change in equilibrium. As such most adjustments in the endogenous factors of an institution come as a result of observing some undesirable traits in the present institutional formation.

Lastly, Historical Institutionalists generally agree to the theory of punctuated equilibrium with its stipulations of abrupt institutional breakdown and replacement due to exogenous shocks. However, this study maintains that institutional change will more typically be endogenous, gradual, and transformative in nature. In these processes of institutional change, the study has greatly appreciated how historical institutionalism has over time conceptualized the process of institutional change especially endogenous processes. However, from the lessons learnt, this study would want to bring in an aspect of ideological niches as a means of sustaining a path dependent mode of institutional change. The study would like to borrow the theorization of sustainable niche management from innovation studies and how it can

add to our understanding of institutional change. The argument being put forward here is that just as a technological niche develops into a market niche and then into a regime, it is also the same way an idea develops through an institutional formation overtime to end up defining the institution itself. One of the recent issues of interest is how the idea of genetic modifications (GM) is establishing itself within the food regime as the answer to the question of food security worldwide and how this may in the end affect the process of agrarian change.

6.1.1 Implications of Sustainable Niche Management on Historical Institutionalism

It has to be noted that Historical Institutionalism (HI) is more interested in the progressive process of institutional change over time and not in the notion of equilibria, which is a central theme in game theory. In the study's analysis and application of niche management in historical institutionalism, however, the study would like to look at how the process of niche development alters the internal environment of an institution, thereby changing the rules of the game. As pointed out earlier, institutional change happens at the critical juncture, which is a moment in history that brought a turn-around in an institutional formation. According to the present study's theoretical link of niches and institutions, at times 'good' opportunities do not bring about any change because at that moment, the niches, which are new ideas or ways of doing things had not yet matured to take over the regime.

The past food crises, which were possible critical junctures, never made GM technology to take over the food regime because it still has a lot of ethical issues to be resolved. However, GM technologies are still modifying themselves as a developing technological niche in the food regime. The study redefines a critical juncture, therefore, as a moment where there is a balance in both the endogenous and exogenous factors to bring about a politically and socially acceptable new form of an institution. The assumption being put forward here is that institutional change happens when the exogenous parameters or events happen at the moment when the endogenous niche has reached its maturity to redefine the regime. A niche is therefore an endogenous factor that develops over time and gradually changes the game-theoretic equilibria of an institution. The progressive development of a niche therefore

helps it to be acceptable over time so that it takes over the regime in a naturalist and organic process or the rapture of the existing regime.

The theory of punctuated equilibria, as a phenomenon of institutional change, stipulates that change in institutions is evolutionally but apparently abrupt and is typically associated with a crisis that reveals that the previous behavior is no longer an equilibrium or an acceptable set of behavior. However, the application of niche goes beyond this assertion in a sense that it assumes a parallel but related behavior growing within an institutional regime over time. The change is therefore not abrupt but something that has been growing and accepted over time especially for slow moving institutions. It may probably be regarded initially as an informal institution but it's a kind of an informal institution providing an alternative to the existing institution. A critical juncture provides a moment of entry into a new set of a regime, a new set of equilibria.

The concept of niche development as the study applies it to HI, postulates that institutional change is an incremental process more than it is an abrupt change, this is much so because there has never been an institutional vacuum after the demise of the present equilibria as is said in punctuated equilibrium. This means that at every point of rapture, alternative niches had already taken root, otherwise change in the existing institutional formation will not happen. Change therefore happens when the new conditions disrupt or overwhelm the specific mechanisms that previously produced the existing behavior or equilibria. Thus, the concept of critical junctures does not nullify the path dependent nature of institutional change because a niche that has developed over time within a regime carries much of the acceptable characteristics of the nature of the regime. Therefore, a critical juncture becomes a point at which the regime raptures for alternative institutional formations (upcoming dominant niches) to take over. This scenario applies both for the fast moving as well as the slow-moving institutions. As a matter of fact, the notion of path dependence points more to continuity than change in the institutional formation.

This further emphasises the fact that the new institutions are influenced and carry many characteristics of the former. However, the concept of sustainable niches is more applicable in slow-moving institutions like culture, that is why ideologies to do with GM or homosexuality, that are dealing with culture take time to be accepted.

However, the implication on the fast-moving institutions like the political institutions usually is the creation of new forms of institutions that do not survive the test of time. This study has talked of institutional change that happened under the structural adjustment period, that it was an endogenous change to economic institutions that was very much influenced by exogenous factors. At times the dormant actors i.e the Government was not in favour of the changes, at the same time it was the kind of change that had no corresponding change in the political institutions that could support it. From a game theoretic point of view, sustainability of institutions is dependent on the actors abiding to the rules of the game over a long period of time but this is very much dependent on the fact that these rules are acceptable and known to all to clearly predict behaviour.

Understanding niches, therefore, as upcoming alternative views, will help us to understand more why there is no institutional vacuum after puncture but also how path dependence in historical institutionalism is made easier to understand. Understanding of the concept of ideological niche and their stage of maturity helps to understand why some seemingly good moments that could bring change to institutions do not result in change at all. The concept of punctuated equilibrium put much emphasis on the exogenous factors that bring about the rupture of institutional formation, in my view it did not go much further to explain how endogenous under-currents could make an institution to ‘implode’. The study argues that a niche is an ideology that already existed as an under-current in a regime but was waiting for a crack in that regime, also being referred to as a critical juncture for it to test its possibility.

6.1.2 Implication of niche management to the understanding of agrarian change

Agrarian change is about the modification of institutions, it is about a change in the way of life, from psychological perspectives to social interactions of individuals and the structure of communities. It is about change in consumption patterns and orientations of agriculture production over time. The application of niche management has a bearing on how we understand agrarian change (which according to this study is a product of institutions formations) and it happens over time. It will also help to understand the geographical variations of agrarian change which borders

a great deal on the exogenous parameters that influence institutional change over space and time. This study has demonstrated how, from the colonial periods of Malawi, the changes in land ownership led to the creation of an agrarian structure that still exists today. This acquisition of land by the early settlers was made in a subtle way until the coming of the Land Ordinance which institutionalized an unfair land ownership. This process of change happened through a process of indoctrination of white settlers' value over the Africans leading to colonisation both politically and psychologically.

The colonisation therefore was not an event but an endogenous process of change over time with a gradual change in idealisation. Frankema et al. (2016) points out that the long-term development outcomes of historical colonial settlement have been simultaneously shaped by the agency of the settlers and of the indigenous peoples living in the colonized areas. They point out further that the initial success of colonial settlement was important for subsequent waves of settlement, and indeed, for the evolution of settler colonies in general. Colonial settlement processes thus evolved endogenously. It is believed that the processes of colonisation proceeded very well through the development and imposition of white settler's narratives of culture on the black communities. The land acquisition, hence, led to the initial orientation of the agrarian structure. The same was also the case with marketing policies, which were probably the major driver of perpetuated peasantry among the African farmers. The systematic exclusion of the African farmers from lucrative market by the Marketing Boards made the process of de-agrarianisation impossible. At the same time the imposing of taxes on the African farmers through systems like *thangata* enforced an institutional framework that worked counter to the African processes of development. However, all these scenarios did not come in as a one-time event but a process that at the time of their fruition were regarded as normal. Such trends continued in most institutional reformation processes in the post-independence period.

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ANNEX

Annex: 1

Themes to be explored in interviews with key informants and farmer groups

AIMS AND OBJECTIVES OF FIELD WORK

The field work aims to collect data that will enable the production of analytic narratives of how institutional formations and processes shaped and influenced the process of agrarian change in Malawi across three political epochs, namely colonial, post-colonial, Period of structural adjustment reforms and the post adjustment. The chapters on colonial, post-colonial and the reform period, I have done literature and archival reviews of these periods as much of the information to develop my argument was already available in literature. However, to triangulate what I have obtained in the literature, I am planning to collect further primary data from the following:

1. Privatisation Processes

Under the subchapter on Reform Period, in which I am considering the institutional reforms that took place under the structural Adjustment programs, I have so far done a literature exploration on two issues that include; the removal of subsidies in the agriculture sector and market liberalisation and how these contributed to agrarian development in Malawi. However, under the same structural reforms, I would like to explore further on how the processes of privatisation influenced agrarian change. To achieve this, I would therefore to do further research on the processes of privatisation of Commodity Authorities (in this case, the Smallholder Tea Authority) and their current state. I am planning to hold interviews with the Privatisation Commission and additionally I would like to visit Mulli Brothers Limited, the owner of STECO (Formerly Smallholder Tea Authority) to understand how the privatisation process was done and how such institutional change affected peoples livelihoods. At the same time I would like to visit some of the farmers who once were under the Authority and now are either working with STECO or other companies.

2. Farmers Association

As part of getting insights into some of the contemporary challenges affecting agriculture development and the institutional formations around them, I have lined up a number of suggested farmer groupings that I would to interact with. Refer to Annex 3.

In addition to farmers' organization, I would like to interact with Government officials in the Ministry of Agriculture, the NGOs working in the agriculture sector and private sector organizations as key informants.

3. Key Informant Interviews

The key informants that I interviewed as part of this study include the following. Refer to Annex 2. These respondents were purposively selected and further identified through a snowballing process.

As pointed out earlier on, an extensive literature review has been done and this study will triangulate and verify and also probably get different insights from what is in the literature. Data will be collected and collated to achieve the following three broad objectives:

- To identify the specific political, social and economic characteristics of the four eras under study and what institutional changes underpin them.
- Factors that contributed to the institutional changes in the four eras
- To what extent have these institutional changes contributed to food security and agrarian transformation in Malawi.

Operationally, these objectives will be unpacked into sets of research questions and variables that will guide the process of data collection as detailed below.

Structures of economy

The structure of the economy is important for understanding the nature of relationships that existed and state attitudes towards the agriculture sector as a whole or parts of it.

- Apart from agriculture, what were the other major sectors of the economy during each of the three periods? Were these sectors directly linked to agriculture?
- How did these linkages influence agricultural development or underdevelopment? *(Much of the information to answer these questions has already been obtained in literature. However, the aim of further asking these questions from key informants is get different perspectives from what I have obtained in literature but also to 'close loose ends' on what I could not understand well from what I got from literature.)*
- How did race and class formations influence executive decisions as regards institutional development on issues of land, markets and production in the colonial and post-colonial periods?
- How did these further led to the agrarian class stratification? *(The literature has shown that in the colonial period, the white settlers were being favoured through institutional formations like land ordinances in accessing good agricultural land and also accessing markets. Additionally, in the immediate aftermath of the colonial era and early years of independence, Dr. Banda promoted populist ideologies that attempted to bring a change to some of these institutions)*
- Can you explain the process of structural adjustment in Malawi? How did the restructuring affected the economy and the agriculture sector?
- How much has the Government involved the farmer groupings like cooperatives and associations in its decisionmaking processes as regards policy formulation and changes?

General Historical trends of institutional change

- What are some of the major changes that have taken place in agricultural policy development over the period 1900 to 2017?
- What were the main issues and events that led to these changes in policies and other institutional formations?

- What do you think has been the role of institutions in the process of agrarian change in Malawi over that period?
- How did the institutions like Native Tobacco Board influence the access to markets by the native farmers?
- How has access to land and land tenure systems exacerbated inequality leading to various class formation in Malawi under the different eras under study?
- What role has ordinances (as in the colonial period) and policies promoted or hindered agriculture market access in Malawi? How has this issue affected the process of de-agrarianisation in Malawi?
- The study would also like to understand how access to land and markets are influencing the process of agrarian change in Malawi in the era globalisation (opening up of local market to the international market),
 - What is your understanding of the processes of globalisation?
 - What institutional frameworks have been put in place that are facilitating Malawi's participation in international trade
 - What have been the challenges as regards domestication of the regional and global protocols that Malawi has signed over the past 50 years
 - Malawi has signed and domesticated a number of treaties. What is making Malawi to fail to meet some of the huge trade demands on the international market
 - Generally, do you think globalisation is helping Malawian smallholder farmers? How

- **Sample Questions on Privatisations Process**

The background to these set of questions will be to explore as to why the Privatisations Commission established? What is the new mandate of the Public-Private Partnership Commission? Why is privatisation of stateowned enterprises important? Much of these will be answered through an exploration of literature and reports. However, they may also be put forward to the interviewee with an aim of isolating subtle political economy issues underpinning the process of privatisation.

The other questions will include the following:

- What have been the main issues and challenges in the privatisations process
- What has been the general performance so far of the privatized entities especially the commodity authorities?
- What has privatisation of agriculture institutions affected farmers access to markets and development
- What remedies were there to ensure more local ownership of the privatized companies
- One important process of privatisation that affected farmer's relationships with and engagement on high value chains was the privatisation of the commodity authorities like Smallholder Tea Authority. Can you describe how these kind of privatisation processes were done? What was the involvement of the farmers in these processes?
- Have you done any review of how the former commodity authorities are performing at the moment
- Some Smallholder Authorities like Smallholder Sugar Authority have currently direct control of the farmers who employ technical people to run the association while others like the former Smallholder Tea Authority was bought by Mulli Brothers. Which of the two do you think is a good model and why? What's the basis of the models?
- What was the role of the Ministry of agriculture in these processes?

Sample Questions for Mulli Brothers Limited (The current owners of STECO formerly Smallholder Tea Authority)

1. Can you explain the process of transition from Smallholder Tea Authority to STECO
2. Can you explain the current relationship between STECO and the smallholder farmers that were once under the smallholder Tea Authority?
3. Has STECO played any role in supporting the development of farmer organizations it is working with? What kind of support? What role (if any) did STECO played in establishing these farmer groupings?

4. What kind of services does STECO provide to the smallholder farmers working through it?
5. What kind of relationship is there between STECO and other tea processing companies? Any Association among them? If yes, what is the mandate of the association?
6. Has the association ever participated in policy processes? Has it ever made an agreement on pricing of tea to be bought from the farmers?
7. How has the opening up of the Malawi market under market liberalisations affected you and the farmers you are working with? If yes, How?
8. Are the Government policies and other government institutions supportive of the of the tea value chain? How?
9. What institutional framework needs to be reviewed or put in place to aid the growth of the tea value chain?

Sample Questions for Farmers working under STECO (formerly Smallholder Tea Authority)

1. Can you describe your experience in growing tea?
2. You once were under smallholder tea authority and now you are working with STECO of Mulli Brothers. Can you explain how this change has affected you?
3. Do you think privatisation of the Smallholder Tea Authority was a good idea? Why?
4. How are you structured as farmers? Are you in an association or working as individuals? Which is a better arrangement and why?
5. Can you describe the production and marketing processes of tea? Has there been any change between the authority and STECO in terms of these processes and services.
6. How much land do you have and how is this land divided to grow other food crops? How has been your production trend in the past 20 years? *(to be asked to selected farmers in the group)*
7. How has the changes in climate (droughts, floods, shrinkage of the rainy season, high intensity of rain) affected your production and what do you think as farmers and the Government should do about it?
8. Have you been involved in any policy process in the agriculture sector

9. What institutional changes do you think will be necessary to help farmer easily access both local and international markets for tea.

Sample Questions for farmer associations on how contemporary issues (climate, decentralisation, globalisation) and institutions surrounding them are influencing agrarian change

1. Can you explain your agricultural production trends over the past 10 years?
(to be answered by farmers individually)
2. What do you think have been the major causes for the changes in yield levels.
3. What can you say is/should be the role of the state and its institutions in the current affairs in the agriculture sector? What needs to be done differently?
4. Access to Land and tenure system are among the most important issues in ensuring food security and production orientations. What has been the major challenges with regards to access to land in your community?
5. Markets provide the backward and forward linkages for the farmers. These linkages helps the farmer to fully participate in agricultural value chains. Can you explain the availability and reliability of agriculture marketing in your community?
6. (if there are challenges) How did these challenges start? How have these challenges affected their livelihood? What are their suggested solutions?
7. Has the Farmer organization ever participated in a national policy formulation process? If yes, which one?
8. In 2000, Government introduced a decentralised system of providing agricultural services to the farmers. What have been the benefits of a decentralised system to the farmers? What needs to improve, in case of gaps?
9. (To ask the farmers to compare from their own perspective the trends of change in livelihoods under the different periods i.e colonial, post-independence up 1979, in the 1980s and 1990s)



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OFFICE OF THE DEAN OF SOCIAL SCIENCE

TO WHOM IT MAY CONCERN

This is to certify that Tamani Nkhono-Mvula is a PhD Student in Development Studies at Chancellor College. Please assist him with relevant information he may seek to fulfil his studies.

Thanking you in advance for assisting his academic endeavor.

Edister S. Jamu, PhD

POSTGRADUATE COORDINATOR

Annex 2: List of Individual interviewed as Key Informants

Dr. S. Khaila,	Former Director of Center for Social Research
Dr. Henry Chingaibe,	Director, Institute for Policy Research and Social Empowerment
Prof. Wiseman Chirwa	Deoartment of History, UNIMA
Prof. WadondaChirwa	Wadonda Consult
Prof. D. Ng'ong'ola	Professor of Agricultural Economics
Mr. Napoleon Dzombe	Farmer
Mr. Grey Nyandule Phiri	Principal Secretary of Agriculture
Dr. Andrew Daudi	former PS of Agriculture and Coordinator of Millennium Villages
Hon. Felix Jumbe,	Chairperson of ADMARC
Ms. Beatrice Makwenda	Programs Director, NASFAM
Readwel Musopole	Department of Planning, Agriculture
Mr. Jacob Nyirongo	Farmers Union Malawi
Mr. Hellings Nasoni,	Chief Economist, Tobacco Control Commission
Mr. Benanu Kanyenje	Farmer in Dowa
Mr. Readwel Musopole,	Deputy Director of Planning, Ministry of Agriculture
Mr. Kapichira Banda	farmer and current FUM president
Prof. Richard Mkandawire	Former Head of CAADP, NEPAD
Ms. Emily Kwatani	Communication and Information Systems Manager, PPP Commission
Mr. Peterson Kandoje	District Agriculture Development Officer, Zomba
Dr. Francis Maiden	General Manager, Demeter Seed

Mr. Charles Govati	Agriculture Commodities Limited
Mr. Arnold Sinfukwe	Formerly, Malawi Young Pioneers Trainer
Mr. Diamond Chikhasu	Assistant Director of Trade, Ministry of Trade

Annex 3: List of Farmer Organisations Interviewed for Focus group Discussion

Shire Highlands Milk Producers Blantyre
Association

Mdapepuka Farms Cooperative	Dowa
NASFAM	Mchinji
Ngolowindo Horticulture Cooperative	Salima
Siyasiya Agriculture Cooperative	Salima
Mlare Horticulture Cooperative	Lilongwe
Central Region Milk Producers Association	Lilongwe
Mchinganji Tea Farmers Association	Satemwa, Thyolo
Ndaula Farmers Cooperative	Lilongwe
Mikundi farmer Association	Mchinji