BOOK REVIEW


This book brings a long-overdue regional perspective to the analysis of Southern Africa’s unresolved land issues. Alden and Anseeuw explore the ramifications of Zimbabwe’s controversial fast-track land reform, in particular how events in Zimbabwe have helped to reignite a debate that had long been forgotten by policy makers and donors. This is a compact book based on empirical research. It analyses the fundamental flaws of liberal constitutionalism and neoliberal macro-economic policies, and their impact on post-colonial state making in Zimbabwe, South Africa and Namibia.

Through analysis of post-colonial state making, the book provides a fresh approach to how we can better understand the impact of liberal constitutionalism on the delivery of social reforms in the post-liberation era. The book analyses the crises of liberal constitutionalism, in particular how the ‘willing seller, willing buyer’ concept, which governed land redistribution in Zimbabwe, South Africa and Namibia, failed to deliver land to the landless. It also highlights how events in Zimbabwe marked a turning point in the process towards a more radical land reform and the return to anti-imperialist discourses across the region and on international forums.

The book explores how the land-reform agenda gradually shifted from promises of giving ‘land to the tiller’ during the liberation struggle to the fundamental change towards a more liberal approach focusing on production rather than redistribution. This shift in the policy on land reform was reflected across the region. In South Africa for example, the elites of the African National Congress (ANC) initially supported broad-based social reforms including land and agrarian reform, under the Reconstruction and Development Programme (RDP), but later shifted towards a liberal approach that supported agricultural production rather than redistribution. These changes reflected the influence of neoliberalism in macro-economic policy formulation during the Mbeki era.

The book’s analysis of land-reform programmes across the Southern African region highlights the constraints imposed on redistributive land reform by market-based approaches. It shows how Robert Mugabe, facing a crisis of legitimacy after many years of failing to deliver the ‘promised land’ under the constraints of the ‘willing seller, willing buyer’ approach, sought to challenge liberal constitutionalism by using the liberation narrative as a locus to reclaim legitimacy. This was achieved through a radical transformation of property ownership. Mugabe’s fast-track land-reform programme, tinged with megaphone diplomacy and anti-imperialist rhetoric, resonated deeply with the dispossessed populations of Southern Africa. Many of these populations were still enduring the vagaries of colonial and apartheid dispossession. They saw in Mugabe’s radical reforms a model that could be applied locally to reverse historical injustices related to land ownership.

The book further highlights the complexity of the geopolitics of the SADC (Southern African Development Community) and its engagement with land reform in the region.
African Development Community) region, in particular the responses to Zimbabwe’s controversial land-reform programme. While many countries in the region, including the regional ‘powerhouse’ South Africa, stood by Mugabe’s anti-imperialist rhetoric, regional responses were far from uniform. Some countries while outwardly supporting Zimbabwe’s fast-track model were beneficiaries of ‘foreign direct investment’ after offering evicted Zimbabwean commercial farmers incentives to invest in their respective countries.

An important contribution made by this book, which has been neglected by the literature, is that it points out the power of ‘liberation narratives’ in shaping post-colonial state making. The book explores the resurgence of these ‘narratives’ in response to the crisis of neoliberalism and how these have emerged as powerful tools in legitimising the rule of ‘revolutionary parties’. For example, in Zimbabwe Robert Mugabe was able to successfully depict the opposition as agents of imperialist forces seeking to undermine the gains of the liberation struggle. He was also able to challenge liberal constitutionalism by projecting it as an imperial project whose main aim was to protect the interests of mainly white commercial farmers. White farmers were depicted as the major beneficiaries of the negotiated transition to majority rule at the expense of Africans.

The book concludes by examining the challenges facing liberal constitutionalism across the region. It highlights how ‘liberation narratives’ are helping to legitimise the rule of ‘revolutionary parties’ across the region. It suggests their enduring role in maintaining a tight grip on power, in the process undermining the consolidation of a democratic culture in the region.

This is a very important book that captures regional experiences with regards to post-colonial state making and the impact of liberal constitutionalism on redistributive land reform. However, it seems to have been rushed for publication with inadequate proofreading. The book contains many basic errors; names of individuals and events are incorrectly spelt. This is reflected in many chapters. For example, on page 40, the Rhodesian Maize Control Act of 1931 is mistakenly called the Maize Council Act. On page 44 the name of the late Zimbabwean nationalist Herbert Chitepo is mistakenly spelt Herbert ‘Chipote’. The name of another nationalist, Ndabaningi Sithole, is also mistakenly spelt ‘Ndabagning’. The late Zimbabwean War Veterans’ leader Chenjerai Hunzvi’s name is mistakenly spelt ‘Hunzi’. Zimbabwe’s economic structural adjustment programme (ESAP) is wrongly called ESCAP. These spelling mistakes are also reflected in the bibliography where names of authors are incorrect. These basic errors undermine the book’s credibility as a reliable resource for scholarly research. However, despite these shortcomings the book brings a fresh regional perspective on the land issue, which has been neglected in recent literature.

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BOOK REVIEW


This book has already attracted a lot of attention since its well-publicised launches in Zimbabwe and the United Kingdom, and has begun to fuel controversy, which was in fact one of its aims. It states its purpose as one of tackling head-on what are regarded as ‘myths’ found in the oft-repeated, sensationalised headlines in Western media accounts of the land occupations, seizures and redistributions. It counters views that this ‘Fast Track Land Reform’ (FTLR) has been a disaster, causing the total ruination of agriculture, widespread food shortages, cutting off investments, and seeing the land put solely into the hands of a few political cronies, by a painstaking gathering and evaluation of detailed evidence from years of fieldwork.

The first task of a review, therefore, should be to explore the evidential base on which the authors base their counterclaims. The base derives from a 10-year study investigating changes in livelihoods following land reform in Masvingo province. Central was a sample survey of 400 households across 16 sites, stretching across a range of agroecological settings from Gutu in the north to Chikombedzi in the south. The study investigated different settlement types, both smallholder focused (A1 – with two sub-types: ‘villagised’ with clustered housing and common grazing areas; and ‘self-contained’, with individual holdings for crops, residence and livestock) and small-scale commercial farms (A2). The bare bones of diverse emerging livelihood trajectories were derived from the surveys, then fleshed out with some rich, illustrative vignettes from interviews with individuals about the new lives they are leading.

This case study material is set out against a close following of the record of developments at the national level over a tumultuous last decade, with regard to the political dynamics, the macro-economic meltdown, the land policies and legislation. The findings about who got what – the proportion of small (A1) as opposed to middle (A2) farms, the retention of one or more existing large holdings by elites, and the spatial and socio-economic origins of the various beneficiaries – correspond broadly to what official audits and studies by Zimbabwean institutions, the African Institute for Agrarian Studies (AIAS) and Ruzivo Trust say about the extent of land transfers. But this study adds much more than government reports on the human consequences. While recognising that the circumstances of acquisition and distribution have a crucial impact on these consequences, they also show that even within a single province, there is no single narrative of how land reform took place. The involvement of veterans, local chiefs and other notables, national politicians, and security personnel varied from location to location, as did the occurrence of violence or some due process.

The livelihood impacts are generalised using aggregate measures into a pattern
made up of three categories, almost equal in number: those who were *doing well, improving*; others who were *getting on, but with potential*; and the *asset poor, often struggling*. Much detail then follows about asset levels (at settlement and after), investments, crop and livestock production, and off-farm incomes, including remittances, across these three strata and in different locations and types of schemes. The emerging patterns of differentiation are also analysed by looking at labour relations: the widespread use of hired labour, even on A1 smallholdings, and the survival within the schemes – though in marginal niches – of former farm workers who have not all dispersed to town or South Africa.

Some sceptics rejected the book’s findings at the outset, once they knew it only covered one of the eight rural provinces – and one, Masvingo, that does not share, admittedly, the same characteristics of adequate rainfall and fertility of the Mashonaland provinces where most of the white commercial farms, including the more specialist and high-technology ones, were found. But as the authors say frankly, this is an issue that arises with respect to all case studies, even one that covers four distinct districts in one province. Such a response cannot be used to dismiss these findings from Masvingo, but it does point to the importance of reading this key work alongside the findings that are now beginning to come on track from the other provinces, much of which is broadly consistent in offering a very mixed bag of outcomes, but with some positives.

Among several themes that are teased out of the analyses and which find their way into a substantial list of lessons and policy recommendations, two can be picked out as having special immediate relevance. First, analysis of the production problems of the new farmers brings out the special efforts, of providing seed, fertiliser and other inputs plus extension advice, made by government – no doubt to save food security, but also to exert political control. The analysis also emphasises how these forms of support were in the style of a command economy, and often counter-productive: seed was distributed late in the planting season, etc.; and also how they were wedded to government monopolisation of product marketing and price levels. The study shows that improvements in access to markets and supply of inputs, especially after 2008, were more a result of ‘the ingenuity, as well as the desperation, of informal players’ (p. 152) and other entrepreneurial activity by farmers and traders, despite government efforts. In this connection, the refusal of the donor community, which has provided agricultural inputs throughout communal areas of Zimbabwe, to extend this provision to smallholders in the new resettlement areas leaves the government with a monopoly of control amongst those people.

A second key area explored is about land tenure – a matter under deep debate in the current drafting of possible legislation, covering future tenure arrangements on the redistributed land. These debates actually cut across the camps of ZANUPF and its opponents, and also divide land specialists. Some critics of the FTLR outcomes perceive insecurity of land tenure as a major constraint to production, access to credit etc., and advocate individual titling (some urging freehold, others leases). Others, the AIAS for instance, point to data that indicate that people’s occupancy of land has proved enough for them to get on with improving the land and getting credit, and also point to the dangers of landlessness being promoted by private titles. This book does recognise that there are problems of lack of security, but it brings out the downside of individual titling, from the projections of its own studies and by experience elsewhere in Africa (like Kenya). This is a vital matter facing some resolution in the coming months in Zimbabwe, but one at risk of
being resolved by ideological stances rather than positions rooted in empirical observation. In this regard, as in such a wide range of issues, the evidence presented here is vital. The book is an indispensable tool for anyone serious about Zimbabwe’s future as well as its recent past. They might, as I do, find the arguments compelling, but in any event there is enough meat here for them to reach their own conclusions, based on evidence rather than rhetoric.

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BOOK REVIEW


This volume examines how African citizens tackle their relationship with the state, and how the state tackles (with more or less efficiency) its quotidian tasks, including sanitation, waste management, water supply and all manners of public services. It takes an ethnographic approach, showing how ‘governance’ has become a local, discursive resource and what it means for contemporary African citizens to ‘collectively and individually govern themselves in their daily lives’ (p. ix). It contributes to an exciting body of anthropological work on imaginations and enactments of the state at a local level by its citizens and functionaries.

In the face of processes of privatisation, a weakening of public institutions and a more general retreat of the state in Africa, the idea of ‘the State’ has remained surprisingly pervasive, even if frequently only as representation: ‘a state grasped more in terms of its desired or perceived essence, than through the reality of its routine functioning’ (p. 18). Reasons for this include the severe limitation of economic resources, the influence of political elites and systems of patronage, and the proliferation of illicit transactions: African states are being privatised both from within and without.

The volume contains 12 chapters by anthropologists, political scientists, historians, economists and public health specialists who have studied state bureaucracy, health systems, corruption, conceptions of public and private, and the management of refugees in Mauritania, Senegal, Burkina Faso, Niger, Ghana, Cameroon, Tanzania, Malawi and South Africa. The editors’ introduction outlines some cross-cutting themes. First is the question of how colonial regimes of rule reverberate in the governance of the post-colony (Olivier de Sardan, Becker, Bouju, Fresia, Turner). Olivier de Sardan’s chapter demonstrates how pre-colonial forms of power were disrupted and reshaped by francophone colonial administrators. The colonial period also laid the foundation for systems of clientelism and the impunity of civil servants through its cultivation of specific notions of contempt and privilege differentiating civil servants from the population at large. A second theme in the volume is how citizens and bureaucrats alike have to deal with the quotidian public infrastructures and bureaucratic powers in their everyday lives. Obrist discusses the gendered nature of water provision, sanitation and waste management in a Dar es Salaam neighbourhood, arguing that women’s role in these domains means that they are the ones predominantly dealing with local service providers – which should be more actively acknowledged. Given the pervasive sense of arbitrariness when it comes to the application of bureaucratic regulations, service operators and users often draw on a shared but informal system of knowledge and practice, which allows a more or less successful negotiation of this situation. Anders discusses the ‘backstage’ of such interactions, focusing on a ‘parallel social order’ (p. 135), centred on asymmetrical power relations and
indebtedness, unofficially governing the administrative realm. This order is characterised by a marked ‘ambivalence of vernacular conceptions of practices labelled as corrupt’ (p. 122), challenging normative interpretations.

A third theme, dominant in cross-disciplinary discussions of the African state, is the lack of accountability and illicit diversions of public goods for private benefits (Bouju, Fresia, Olivier de Sardan, Turner, Tidjani Alou). Whilst the volume presents familiar examples of embezzlement, Tidjani Alou describes an interesting, reverse case of decentralisation and increasing accountability accompanying the installation of small-scale water infrastructures in villages in Niger. Through local participation, new decentralised management structures divert authority away from existing centres of power, whilst the introduction of transparent forms of compulsory accounting transforms prevalent conceptions of citizens and their role in processes of government.

A fourth theme is the institutional, legal, and normative pluralism of development and good-governance regimes and the implications for actual cases where such policies and projects are implemented. Political rivalries and struggles for resources and meaning emerge in these contexts (Fresia, Turner), and the implementation of governance schemes (new and old) involves processes and practices of boundary-making. The boundaries of public and private and of professional competence and intervention are not rigid but performed and contested in the engagement between institutions, services, and their supposed beneficiaries (Homberger, van der Geest and Obirih-Opareh). Grue´nais, Okalla and Gauvrit discuss the constitution of a ‘new health map’ (p. 107) in Cameroon, following the 1988 Harare Conference, which pivots on the ‘health district’ as an interface between centrally defined policies and strategies, and community demands. The carving up of geographical space with a technical rationale is accompanied by the allocation of responsibilities and the (re)mobilisation of local political conflict. Bouju’s chapter tells quite a different story about the demarcation of spaces of administrative responsibility, focusing on the startling difference between the cleanliness of private and public spaces in Bobo-Dioulasso (Burkina Faso). At issue are two opposed historical-cultural normative logics regarding the ordering of space practised by the city’s authorities and its inhabitants respectively. Public space is widely regarded as ‘socially useless and therefore suitable for dumping and tipping’ (p. 152); but since public space, infrastructures and sanitation services are viewed as the territory of local public authorities, the dirtiness of the city is generally interpreted as a sign of a decrepit municipal system and political antagonism. Local assessments of what gets done and what does not go hand in hand with assessments of capacity, including moral capacity, of the actors involved.

The richness of the material is difficult to convey in a short review. The focus on local-level state practices, processes of planning and management is a welcome change from the more usual discussions of ‘development’ processes and projects in Africa. The authors show that whilst the implementation of good governance programmes and policies (re)constitutes citizens and bureaucrats in new ways, it also makes way for the emergence of new intermediary roles (Anders, Fresia, Nauta), adding to historically important forms of brokerage (Becker, Olivier de Sardan). It is this range of emergent and reshaped subjectivities that a contemporary study of the African state needs to take into account. In doing so, the volume will appeal to a wide readership interested in gaining new insight into how the workings and malfunctions of the African state are lived on the ground.

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BOOK REVIEW

The Arab state and neoliberal globalization: the restructuring of state power in the Middle East, edited by Laura Guazzzone and Daniela Pioppi, Reading, Ithaca Press, 2009, 300 pp., £49.99 (hbk), ISBN 9780863723391

This collection examines four Arab states (Egypt, Lebanon, Morocco, Saudi Arabia) and concludes that the state in the Arab world has been undergoing a process of radical change due to global influences, especially since the events of 11 September 2001. This has resulted in the re-emergence of a neo-authoritarian Arab state that has been adapting to global economic pressures and security demands (p. 8). The book rectifies an important gap in the literature on the dynamics of the state in the Arab world by examining various aspects of the system of power and by taking into account the role of domestic and international actors such as the United States and Israel.

Part 1 examines the changing patterns of political mobilisation, finding that external and sometimes domestic demands for political reform and liberalisation have had contradictory outcomes. Political decision-making has become ever more concentrated among a few, while the masses have been left with few avenues to influence the outcome of policies or state action. Joel Beinin writes that despite implementing policies of economic liberalisation and reform in the 1990s, the Egyptian political system and society remains in the grips of a neo-authoritarian regime that shows no commitment to political liberalisation. Karam Karam argues that the relationship between the rulers and citizens of Lebanon has been deeply influenced by domestic, regional and international conflicts and actors in recent decades. Karam points out that the communitarian nature of the Lebanese political system leaves little room for non-confessional mobilisation, a weakness he doubts will be overcome in the near future. Steffen Hertog argues that Saudi Arabia, in contrast to Arab republican regimes like Egypt, has not witnessed a radical change in its conduct of politics or state–society relations. Given the wealth of oil, the Saudi regime has avoided neoliberal shock therapy while continuing its policies of clientelistic redistribution.

The chapters in Part 2 argue that rather than creating competitive markets or increasing productivity levels, neoliberal economic policies have resulted in empowering a new class of capitalists who rely on state power and usurp public wealth. Ulrich G. Wurzel explains how despite the changes in the Egyptian economy, the state continues to maintain a strong role in resource distribution thanks to the rise of an elite that colludes with the regime and relies on it for its accumulation goals. Charbel Nahas points out how despite becoming a major financial hub in the Middle East and North African (MENA) region, Lebanon has failed to turn the investment flows towards a long-term plan for economic growth due to lack of financial regulatory mechanisms. Tim Niblock claims that Saudi Arabia in recent years has been implementing an industrial policy that would give it a bigger share in the global economy. However, given the predominantly unskilled Saudi labour
force, the social benefits of such a policy would not accrue to Saudi citizens. Myriam Catusse argues that while the Moroccan state has adopted a discourse of ‘less state’, in actuality the state has redefined its powers (p. 187). This chapter makes some contradictory claims. For instance, Catusse states that ‘Morocco has not recently converted, properly speaking, to the market economy: property rights have not been restored or fundamentally transformed’ (p. 189). However, she provides ample evidence that counters this claim and shows that Morocco has indeed undergone a radical shift towards a market economy (pp. 190, 195–198).

Part 3 examines the security dilemmas of the regimes in an age of neoliberal globalisation and global terrorism. As Elizabeth Piccard points out, ‘globalization and the unipolar domination by the United States has forced a reorganization of the world, and especially of the Arab Middle East, into unequal hierarchical units, crisscrossed by networks of transnational actors’ (p. 259). Philippe Droz-Vincent highlights the expanding role of the Egyptian security apparatus in the Egyptian economy as a sign of its increasing power in society. Piccard explores the reforms of the Lebanese state and its security sector in the context of MENA region’s deeper integration into the global security order. She argues that while the Lebanese security sector is inflicted with sectarian divides such as those existing within the larger Lebanese society and state, it nonetheless is serving increasingly the role of a proxy for the West in the latter’s global war on terror (pp. 250–252). Paul Aarts and Joris van Duijne conclude that there has been no radical transformation in the Saudi security sector, but rather the state’s security expenditure has increased over the years, highlighting a closer and deeper relationship with the United States. Issandr el Amrani argues that along with a shift towards a more liberal economic system in the 1990s, Morocco has relaxed its domestic security policy. Internationally, Morocco has maintained a pro-Western foreign policy and has been involved in the US’s extraordinary renditions while maintaining an amicable relationship with the state of Israel, both of which have caused public protest against the regime (el Amrani, p. 307).

In the final chapter, the editors highlight the main findings of the book. In the absence of a progressive alternative, politically Arab regimes have turned more authoritarian thanks to the discourse of anti-terrorism and the global war on terror (p. 325). The economic trends in the region highlight a shift towards market liberalisation as a response to the fiscal crisis of the state that emerged in the region in the 1980s, albeit the pace and nature of these reforms have been conditioned by various national contexts. Observations from the security sectors underline the impact of neoliberal globalisation and the global war on terror. This book highlights a deep and growing relationship between the various aspects of the state in the Arab world. The thematic organisation of the chapters allows for a comparative analysis of the four countries. The chapters in the third part open up a new way of examining the security sector in the region by going beyond the traditional studies of foreign policy. At the time of writing (1 February 2011), the revolts erupting in Tunisia, Algeria, Yemen, Jordan and Egypt raise important questions about the limits of top-down economic liberalisation without democratisation. Depending on the balance of forces coming out of these revolts and the nature of international response to them, either the region could embark on a path of democratisation, which could complicate the neoliberal agenda, or we could witness a brutal clamp-down of the revolts and therefore a continuation of autocratic rule.

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BOOK REVIEW


In broadly populist style, these two books address serious questions of recent southern African history: they are simultaneously useful in pointing to sources and frustratingly scrappy in analysis. Angola: o princípio do fim da União Soviética (Angola: the beginning of the end of the Soviet Union) raises the complex question of ‘Soviet expansionism’ in southern Africa. Samora Machel, atentado ou acidente? Páginas desconhecidas das relações soviético-moçambicanas (Samora Machel: an attack or an accident? Unknown pages from Soviet–Mozambican relations) revisits the debate about the causes of the crash at Mbuzini in October 1986 that killed the Mozambican president and over 30 of his entourage. A widely believed although unproven hypothesis holds that South Africa used a false navigational beacon to decoy the aircraft to its fate; an alternative view is that the Soviet pilots were incompetent, drunk, distracted, or all three. These are, of course, not mutually exclusive theories. For specialists Samora Machel is less interesting than Angola, and was probably written in haste. The author of both books, José Milhazes, is a Portuguese journalist and blogger who has lived in Moscow since the 1970s and knows Russian.

Both works have been aggressively marketed in Portugal – in window displays and airport bookstalls, for example – reflecting the national preoccupation with the loss of empire in the mid 1970s. The ideas – first, that involvement in Angola helped to precipitate the downfall of the USSR, and second, that the irresponsibility of Soviet pilots caused the death of Machel – are likely to find a welcome in some quarters in both Portugal and southern Africa. However, Milhazes’ claims about the nature of Soviet involvement in southern African affairs are not fully supported by the evidence he presents. At this stage we simply do not have enough information to calculate the real cost of Soviet involvement in the Angolan wars. Similarly, Machel’s death raised and continues to raise political as well as technical–aeronautical questions that must remain largely unanswered in the absence of new evidence.

Were Soviet objectives in southern Africa expansionist? ‘Expansionism’ may be understood as the policy to increase territory or the control of resources, usually by military means. That the Soviet Union was sometimes in this simple sense ‘expansionist’ is beyond dispute. Soviet incorporation of the Baltic republics and Moldova in the 1940s is one example, and there is evidence that the Soviet leadership discussed acquiring African territories in the 1930s. But it is also necessary to recognise that Soviet ‘expansionism’ was ideologically driven by a desire to realise a bright socialist future for all humankind, an outcome best
achieved – of course – by pursuing Soviet national interest.

That said, South Africa’s ‘Total Strategy’ in the late 1970s and 1980s was based on a representation of Soviet foreign policy objectives famously summarised in a phrase attributed to Leonid Brezhnev – ‘control of the energy resources of the Middle East and the mineral resources of southern Africa’, along with command of the Cape sea route. Had such a planned ‘Total Onslaught’ existed, it would have constituted genuine expansionism. However, the evidence that such unnuanced goals were ever defined is shaky at best, and Robert Legvold long ago demolished the provenance of Brezhnev’s supposed remark to Siad Barre in Prague in 1973.

Milhazes has claimed in an interview that ‘mainly economic reasons’, connected to the ‘astronomical amounts’ spent on armaments in Angola, led to the demise of the Soviet Union. But his own evidence hardly supports the conclusion, although he may be right that the effort was wasted. In the 13-year period between 1976 and 1989, says Milhazes, the Soviets provided the Angolan government with military equipment valued at 3.7 billion roubles, or US$2.2 billion (p. 171). However, in 1990 Peter Vanneman published US estimates amounting to US$4 billion for 1977–1987, and another US$1 billion the following year – double Milhazes’ total.

Milhazes’ figure averages out at just over US$170 million annually, from a Soviet gross domestic product estimated at somewhere between US$1.5 and US$2.6 trillion in the 1980s – on the face of it, hardly enough to break the bank. Similarly, he claims that between 1975 and 1991 around 11,000 military personnel saw service in the Angolan theatre (p. 173), and some 2500 Soviet citizens (not all soldiers) were killed, with another 7000 wounded (p. 175). These figures seem high. The Soviet army in the mid 1980s had 5 million men under arms, and by contrast with Angola the size of the force in Afghanistan was between 80,000 and 100,000, with about 14,000 killed over the nine-year campaign.

The books are short and padded by lengthy direct quotations from Russian sources, and by the inclusion of appendices (Angola: the Nito Alves speech to the CPSU’s XXV Congress in 1976, and the text of the Treaty of Friendship, also 1976; Samora Machel: Machel’s speech to the CPSU’s XXIV Congress in 1971, the Friendship Treaty, and speeches by Brezhnev). Each book also includes a chapter on the Comintern, an organization that shut up shop in May 1943, and which never evinced the slightest documented interest in either Angola or Mozambique.

Sometimes, in the absence of supporting evidence, Milhazes resorts to innuendo. His discussion of the death of Agostinho Neto in Moscow in 1979 relies on a statement by K.N. Brutents that ‘it was rumoured’ that Neto had a drinking problem, sourced to an undated issue of the Portuguese weekly Espresso (pp. 99–100). In Samora Machel Milhazes ignores previous work on Mbuzini in both Portuguese and English by Alvaro Marques, António Ramos, João Cabrita and David Robinson. His chapter on the actual crash presents several passages from Russian commentaries, without, however, reaching a decisive conclusion. It concludes by raising the possibility of high-level Mozambican involvement, with a rhetorical question dropped into the text with no previous discussion: ‘is it possible that one of the reasons why the mystery … remains unresolved, lies in the fact that the present President of Mozambique, Armando Guebuza, led the investigation?’ (p. 83).

Milhazes relies heavily on memoirs in Russian by soldiers and diplomats, with some research in archives such as the Arkhiv Presidenta Rossiskoi Federatsii, which he unhelpfully abbreviates as APFR rather than APRF. The transliteration of the Cyrillic alphabet into Latin script is a tricky business, complicated by the phonetics of
Milhazes does not seriously attempt to help his readers identify the sources, merely translating the titles of works from Russian into Portuguese. Thus the Communist Party functionary Brutents’ important memoir *Tridtsat’ let na Staroi Ploshchadi* (Thirty years in Old Square, i.e. the Central Committee offices in Moscow) becomes *Trinta anos na Praça Velha*. In a popular work this may be tolerable if unaccommodating, but to spell the name of Andrei Grechko (1903–1976) variously as Gretchkov, Gretchko and Gretcho in the space of a single paragraph (*Angola*, p. 36) is unacceptably careless. Equally sloppily, in *Samora Machel* the same nine-line quotation from Arkadi Glukhov about Eduardo Mondlane is repeated verbatim on both pages 38 and 40. In both books Milhazes misspells the name of the well-known Russian Africanist Valentin Gorodnov as Goronov.

Serious research in these subjects certainly requires mastery of Russian and Portuguese, but it also requires an ability to locate the topics in the context of the historiography of the Cold War and its regional manifestations in Angola and Mozambique. Unfortunately, Milhazes makes almost no attempt to do this, ignoring Angolan, Mozambican and Portuguese scholarship – let alone work in English or French – and relying entirely on Russian diplomatic and military memoirs. As a Russian-speaking Portuguese journalist, Milhazes is well-placed to pose important questions, but for non-Portuguese readers his books make a limited and largely decontextualised contribution to our knowledge of their subjects.

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EDITORIAL

The accumulation of dispossession

Eleven years ago, this journal published a special issue on ‘The Struggle for Land’ in Africa (volume 27, issue 84, June 2000). Its focus was on struggles over access to land and land rights, probing the relationship between town and country and how land and agricultural strategies are shaped by political power. It also looked at how different struggles over land helped shape the ways in which African states were unevenly incorporated into a world economy shaped by imperialist intervention.

At first glance it seems that the processes of underdevelopment identified in that issue are being repeated in the contemporary period: the World Bank and other international financial institutions remain heavily fixated on promoting individual and privatised land tenure. People’s rights to access and the more general rights that rural Africans seek to promote remain central issues of contested politics and class struggle, whilst recurrent food insecurity propels a rationale for liberalised markets to promote entrepreneurial initiative, in the vain hope that this will produce improved well-being. Yet contemporary debate about land in Africa and about land ‘grabbing’ suggests that all these processes have recently intensified. Driven by dispossession, rural protest and urban food riots, the centrality of land and struggles over access to it and how it is to be worked and owned are once again at the fore of political debate and policy-making interventions. The issues of 10 years ago are not simply being repeated, albeit this time on a greater scale. There is now a qualitative difference in the ways in which land and land transformation are shaping Africa’s political economy.1

One of the most important distinguishing features of contemporary debate about land in Africa is indeed the scale of recent dispossession. Accuracy in figures to account for what exactly is happening in relation to land transfers and foreign capital intervention is elusive. This is a point made well in this volume by Hall who problematises, among other things, the language used to describe land transfers and the purposes to which the land is eventually used. The International Food Policy Research Institute (IFPRI) estimates, for example, that between 15 million and 20 million hectares in developing countries changed hands between 2006 and 2009. And it seems that the assumption underpinning the stance of international financial institutions and transnational companies, not only in the North, but also from the Global South, is that Africa has a lot of land that is simply idle — and what better purpose for available liquidity than to facilitate access to land? Land can be used as a hedge against crisis-ridden international financial markets; it allows for investment in agricultural production, usually of high-value luxury (low nutritious) food or horticultural products for export, or for the production of biofuels at a time when global energy prices have been at an unprecedented high.

The myriad set of reasons for accessing African land link the continent immediately into the vagaries of the international market and provide evidence for accumulation of international capital on the back of African land, livelihoods and resources. Thus one of the most recently contentious land deals has involved South African farmers accessing 172,000 of the 10 million hectares of land that the government of Republic of Congo
has identified as ‘vacant’ and available for foreign use (Reuters Africa 2011). In fact, there does not seem to have been any actual transfer in funds – the Government of Congo has not received payment for South African farmers accessing land that is characterised as empty and idle. The benefits to Congo will instead, it is claimed, be through the development of important infrastructure and market development in an area twice the size of Switzerland for the growing of maize and soya, poultry and dairy – many products that are not part of the local staple diet and which will be exported for revenue accruing to South African commercial farmers. This is just one of several deals South African farmers are exploring in Africa. Others include projected land deals in Tanzania, Malawi and Uganda, agreements in Mozambique and enquiries from Ghana, Gabon and Guinea to attract South African farmer interest. Are these projected land deals symptomatic of South Africa’s sub-imperial reach in the continent, or white farmers fleeing the spectre of ‘land reform’ within South Africa itself? Perhaps it is both.

Boosting biofuel production is one of the drivers for foreign capital to promote land transfers in Africa. Although only about 2% of the world’s arable land is used for oil palm, sugarcane, maize or jatropha – about 14 million hectares – it is estimated that by 2030 this figure will have doubled to 4%, and by 2050 to 20%.

The contemporary struggles over land in Africa are distinguishable from previous land sales because they now seem to be at the heart of a capitalist crisis of fuel, food and finance (see the article by Hall in this issue). Food-importing Gulf countries, for example, are able to exercise financial muscle to purchase land in the Greater Horn to ensure that new sources of food are guaranteed. The Gulf’s food import bill rose from US$8 billion in 2002 to US$20 billion in 2007, while Egypt is focused on ensuring that its wheat import dependency can be partly offset by land purchases in northern Sudan. These are both the result of bilateral government negotiations and private corporate deals by firms like Egyptian equity finance company Citadel Capital. Citadel Capital already has offices in Juba and Addis Ababa, and its corporate involvement illustrates that the struggle for African land is not driven only by the international financial institutions and United States or European multinational corporations like the UK-based Sun Biofuels or Germany’s Acazis AG.

The struggle for access to African land is now central to debate about how the continent might make the most from its resource base, and adds yet another dimension to the current ‘scramble’ on the continent for its metals, minerals and marine resources. This journal has noted recently how the race for the continent’s mineral wealth has driven excessive optimism about the prospect for African growth and development, and similarly the World Bank has been keen to argue that corporate interest in African land need not be a negative consequence of economic transformation (Deininger et al. 2011; GRAIN 2010; Share the World’s Resources [STWR] 2011). Indeed, the World Bank has assembled a code of conduct for land deals which asserts the need, among other things, to respect existing land rights, the rule of law, environmental sustainability and not to jeopardise food security. Borras, Fig and Monsalve Suárez criticise this code of conduct, and point out that Mozambique had its own six-point policy and strategy on biofuels; while Buur demonstrates that the Mozambican strategy on rehabilitation of the sugar industry was at times implemented in the face of World Bank opposition. GRAIN, Via Campesina and other advocacy groups have stressed that ‘no principle in the world can justify land grabbing’. The World Bank’s idealistic targets for donor responsibility (who could possibly be against them?) legitimise a process of commodification of African land, whether or not by Western interests. The World Bank position is challenged by the agendas for land and food sovereignty that criticise the idea that business is able to self-regulate and that see contemporary dispossession
aggravating food insecurity and promoting famine. The World Bank assumes that market transfers in land are simply a feature of modernisation. The enclosure of land, dispossessing farmers and limiting people’s access to it are necessary consequences of business raising productivity, and with it the opportunity for African governments to increase revenue generation.

The articles in this issue question this simplistic treatment of African land deals. To begin with, they expose the role of the African state in this process. States should exist to guarantee the protection of their citizens from foreign expropriation. Instead, for reasons of weakness or venality, or because the political class has direct interests in the outcomes, they often facilitate land deals which dispossess large swathes of their people. The articles here explore the complexity underpinning and also resulting from patterns of dispossession and accumulation. They insist on the need to examine the social relations of production and reproduction in land use and thus the gender and class dynamics linked to dispossession. They ask questions about what is produced by whom, and for what purpose? The articles by Borras, Fig and Monsalve Suárez and by Buur both empirically ground the debate about rural transformation and agrarian change and the consequences of land-leases and commodification in Mozambique. In the case of ProCana, Borras, Fig and Monsalve Suárez illustrate the fate of many prospective land deals in Africa – which is barely to get off the drawing board. (In Tanzania, land ‘investments’ by commercial companies have in theory to go through a process of consultation with local communities which can slow the process considerably, though not where state backing allows consultation to be circumvented.) In the other case (of the sugar industry), Buur shows that some such deals, prefaced by colonial dispossession and reaffirmed as the post-colonial nationalisation of land under ‘socialism’, can lead to the consolidation of quite productive economic sectors.

There are three themes in Africa’s political economy around which this journal is keen to advance debate. The first is the persistence of food insecurity and struggles around food sovereignty. Both the Food and Agricultural Organisation of the United Nations (FAO) and the World Food Programme note that while there may now be for the first time fewer than one billion, or 16%, of the population in developing countries who are undernourished, African countries dominate the list of the most insecure and vulnerable. Improved food security in Asia has reduced the figures of those undernourished globally, whilst 17 out of the 22 countries identified by the FAO in 2010 as having protracted food insecurity are in Africa. Many of these states are landlocked in Central Africa, or remain structured by conflict like D.R. Congo, Sudan, Côte d’Ivoire and Zimbabwe. Many are also involved in land deals with external capitalist companies. The Ethiopian government in March 2011 rebuffed criticism about large-scale land-leaseing, arguing that it provided access to foreign exchange to reduce poverty and boost food security. Yet it seems that at least one of the rationales for land-lease deals in Gambella in the west of the country has been wrongly to characterise land leased to foreign companies as idle and underutilised. Such deals have thereby intensified poverty as they have led to the threat of expulsion from land which fed peasants and pastoralists. The Ethiopian government has also promoted the villagisation of agriculturalists and restricted access to grazing by local pastoralists. One villager noted, ‘We are pastoralists. How can we stay here for more than three or four months?’, and, summarising the impact of the Gambella resettlement, one commentator said: ‘These are pastoralist communities whose lives depend on grazing lands, water and pasture. They have their own pattern of movement from one place to the other, hence services like water, health and school must follow the movement pattern. Otherwise it will lead to land degradation and resource depletion’ (quoted in IRIN 2011).
Africa’s food insecurity is pervasive. It is not restricted to the states the FAO has recently identified, but encroaches on and is shaped by class conflict and gender dynamics throughout the continent. This is the second important dimension related to land and dispossession that is introduced in this volume. It is the class dimension to the impacts that particular strategies for agricultural modernisation generate. The World Bank views positively the international interest in Africa’s land and the benefits that may accrue from sales, leases and new cropping patterns – in other words, from the extension of capitalist relations of production in agriculture. But the excitement promoted by the international financial institutions creates yet again false expectations based on limited analysis and weak policy. Donors promote a view of the inevitability of unilinear paths of development. ‘Modernisation’ will take the form of increased urbanisation driven by rural enclosures and dispossession of farmers and the near landless from their land. As agriculture becomes more capital intensive, farmers will be displaced to work either as agricultural labourers or as proletarians in the town. Seldom has this pattern of capitalist development taken place uniformly in Africa. It went furthest in settler colonies like Kenya, Zimbabwe, South Africa, parts of lusophone Africa and in the Maghreb, where agricultural productivity is now among the highest on the continent, though land hunger and poverty have also intensified for some.

The contemporary land debate in Africa has seldom explored the agrarian questions of rural classes in political struggles for freedom from exploitation, emancipation and justice, or whether there is an actual increase in the productive forces in an agricultural transition to capitalism, and whether and to what extent the proposed or tangible rural transformation promotes capital accumulation as a prerequisite for industrialisation (Bernstein 2010, also Mueller 2011). The preoccupation with land has sometimes ensured that the social classes that work it are ignored, and this failure to understand the social relations of rural classes is inevitable if states and agricultural ministries are seduced by the promise of fast money from land-leases on the back of the falsehood that the land is idle and no one farms or grazes on it.

This links closely with a third theme around which we encourage further contributions. Just why and how is land in the contemporary period politically over-determined? Land is often a commodity and it functions as territory. Land is a means of production that is highly contested. In Africa the rhetoric of its abundance needs to be located in relation to people who are available, and healthy and able to work it. And yet we know too that as territory, states covet its control, and use their control over it as a mechanism for asserting sovereignty and the exertion of political and economic power. Land is both a mechanism to enrich and promote an agenda for capital accumulation and also a vehicle for exerting the power of states to shape their authority and legitimacy. The essays in this issue explore the circumstances under which landholder rights are transformed and the ways in which the state manages access to land to exert authority.

That authority can sometimes be exercised to redress past inequalities, which is why in Zimbabwe the term ‘land grabbing’ raises other critical debates. Sam Moyo indicates how the revolution of accelerated seizure of (largely white) commercial farms by war veterans, with the backing of the Mugabe regime, suggests, contrary to most commentary on state land grabbing, greater equality of land distribution, and a positive outcome for agricultural production and improved rural livelihoods. At the same time, Moyo reminds us that large-scale commercial production persists under state control and with high foreign investment. This highlights an under-theorised aspect of land deals, namely that the focus on looking at where there have been deals, what the value of them has been and what the promise of improving productivity may or may not be, seldom raises questions about the processes
of agrarian transformation. We need to look more broadly at issues of agrarian reform, the character of accumulation and of dispossession, and the costs and consequences for rural producers. The likelihood is that the current land scramble will create or re-create a set of enclaves – enclosed areas of capital-intensive agricultural production amid high-surplus labour environments. And where processes of capital accumulation create displacement and dispossession there is no guarantee of sequencing or generating work for the landless. Accumulation by dispossession seems to be a continuous feature of Africa’s uneven and combined incorporation into the world economy. It is underpinned by the persistence of violence and at best only the partial transformation of peasanties into workers or proletarians divorced from their means of rural existence. Many workers continue to access land which may be of poor quality and size, but that very access has been crucial in sustaining livelihoods at times of crisis. Retaining that access is threatened by the scramble for Africa’s land, however shaped by contemporary imperialism and African underdevelopment. Harvey (2003) reminded us that the primitive accumulation of capital is not only a prelude to capitalism; it is a process fed by the continuing accumulation of dispossession of marginalised rural areas.

We cannot end this editorial without reference to the latest imperialist intervention in Africa: in Libya. Under the guise of humanitarianism driven by the United States, Britain and France, United Nations Security Council Resolution 1973 is a proxy for deposing an African head of state, albeit a maverick and brutal one. There is little good feeling between Muammar Gadaffi and African leaders or leaders elsewhere: at best he challenges orthodox behaviour in the ‘community of states’, and at worse he is a savage dictator who has subjected Libyans and people in the region and beyond to barbarous and outrageous acts of terror. Yet the United Nations is choosy about which groups struggling for democratisation and political reform it is prepared to support. There was no resolution defending Bahrainis against the royal dynasty, or Shias from the tyranny of Saudi rulers. There may even have been a deal between the Gulf, Saudi Arabia, the United States and the European Union to agree to United Nations Resolution 1973 as long as hegemony is maintained and criticism for the way tyranny continues in the Gulf remains mute.

The United States and the European Union have already began to map their strategy for reconstruction in Tunisia and Egypt. In this issue, Ray Bush describes the situation in Egypt for the revolutionaries in Tahrir Square and beyond; while Marion Dixon highlights the concerns that activists and democrats have with the persistence of imperialism in North Africa. The closeness of Washington to Egypt’s military gives a glimpse as to why the transition after the 25 January revolution remains fraught and fragile and why counter-revolution is never far away.

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Notes
1. See the following key publications for review of the debates: Borras and Franco 2010, FAO and World Food Programme 2010, and Vermeulen and Cotula 2010.
2. For a useful summary of this debate, see, for example, Patel (2010).

References
Land grabbing in Southern Africa: the many faces of the investor rush

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The popular term ‘land grabbing’ , while effective as activist terminology, obscures vast differences in the legality, structure and outcomes of commercial land deals and deflects attention from the roles of domestic elites and governments as partners, intermediaries and beneficiar y. This paper summarises initial evidence of the characteristics of recent acquisitions of public lands and land held under customary tenure in Southern Africa, and their distribution across the region. It draws attention to their diverse manifestations – to questions of size, duration and source of the investments; the commodities and business models through which they are implemented; the tenure arrangements and resources accessed; the terms of leases and compensation; the degree of displacement; labour regimes and employment creation; and changes in settlement and infrastructure. The article proposes a schematic analytical framework for distinguishing between different types of land deals and considers the implications for unfolding and future trajectories of agrarian change.

Keywords: agrarian change; biofuels; food crisis; land; land grabbing; southern Africa

Introduction

African states are finally getting what they have so long sought – foreign investment – but in forms and on terms that are exposing fractures and division among African societies, within communities, and between citizens and states. In Southern Africa, as elsewhere on the continent and in the developing world, mounting pressures towards the commercialisation of land have in recent years been accelerated, transformed and overtaken by the widespread leasing or sale of public lands to foreign companies and governments for food production, for tourism developments, for biofuel production, and for other commercial agricultural uses. These pressures are part of a global phenomenon that dates to the oil price spikes of the mid-2000s, accelerated rapidly in the wake of the ‘food price crisis’ of 2007–2008, and gathered further momentum with the crisis in world financial markets in 2008 and the onset of global recession into 2009.

The outcomes in Southern Africa are not without historical precedent in this region of settler colonialism and anti-colonial struggle. At the same time, they are distinctive, as new global ‘drivers’ are refracted through the particularity of current configurations of land relations and political economies of countries in the region. What forms, then, does what one might term ‘new-wave land grabbing’ take in Southern Africa?
The emerging picture globally and in Africa

‘Land grabbing’ or ‘the farms race’ in Africa has been described as a new neo-colonial push by foreign companies and governments to annex key natural resources. Critics charge that ‘rich countries are buying poor countries’ soil fertility, water and sun to ship food and fuel back home, in a kind of neo-colonial dynamic’ (Leahy 2009). The vast majority of these investments are thought to be for production of food crops for foreign markets, but about one-third are understood to be for plantations of crops for biofuels (World Bank 2010). The deals typically involve the leasing or other concessions (rather than sale) of large areas of land usually for production for foreign markets, by foreign companies and governments concerned with hedging against the risks of food price increases on global markets (Cotula and Vermeulen 2009a).

China, India, South Korea and the Gulf States are among those at the forefront of this agricultural expansion, as they seek to produce food overseas for their growing populations. Most deals are private investments (GRAIN 2009b). Among these are European and North American banks and financial investors seeking alternatives to volatile international financial markets. In 2009, the International Food Policy Research Institute (IFPRI) estimated that deals on 15–20 million ha of farmland in developing countries were under negotiation between 2006 and 2009 (von Braun and Meinzen-Dick 2009). The International Institute for Environment and Development’s (IIED) quantitative inventory of five African countries found just under 2.5 million ha allocated in such transnational deals between 2006 and 2009 (Cotula et al. 2009), suggesting that IFPRI’s global estimate may have under-represented the scale of such acquisitions.

The World Bank’s euphemistically titled report, Rising Global Interest in Farmland, suggests the scale is bigger; 45 million ha was under negotiation in 2009 alone, and 70% of it was in Africa (World Bank 2010). Its report focused on low productivity (and yield gaps), and defines much of Sub-Saharan Africa as being under-utilised, where rain-fed cultivation could be massively intensified. If properly regulated, it argues, land deals could facilitate the transfer of land rights from less to more efficient producers – the logic underlying its market-based land and agricultural reforms over the past two decades. Because low population densities and low mobility prevail, agricultural intensification will require larger farm sizes – a conclusion derived from aggregate data (World Bank 2010, p. 64). This position deviates from the bank’s long-professed adherence to an ‘inverse size–productivity relationship’ favouring small farms (Deininger and Binswanger 1992, Binswanger et al. 1995). While still, in general, advocating a small farm growth path as the best means of poverty reduction, the Bank’s economists now appear sceptical as to whether this is feasible in many African contexts.

Mounting evidence shows that leases or concessions have been granted on communal land that is already claimed, occupied and used by local people (Cotula et al. 2009, Sulle and Nelson 2009; World Bank 2010). Even though land laws to secure such rights are in place in most countries in the region, these deals potentially threaten the livelihoods of farming households and the prospects for the continent’s 80 million small-holder farms, which contribute 30% to Africa’s gross domestic product and 40% to its exports and sustain many of its poorest citizens. They may also precipitate new, or aggravate existing, contestations over land and related natural resources (especially water) when private investors, sanctioned by national governments and other authorities, divert these natural resources for their own commercial uses (Duvane 2010, Matondi 2010).
The stakes to define the terms of debate are high, and influential institutions are generating and referring to their own (highly variable) data sets. This paper is a response to the apparent inadequacy of these major reports to capture dynamics at more local level. It is also motivated by an unease at the media-driven understandings of ‘land grabbing’ that have enormously over-simplified what appear to be variegated and complex processes of agrarian change, some of which reflect historical continuity, while others may involve qualitative redirections in processes of agrarian change or the intensification or speeding up of such processes – but may also involve countervailing trends. It aims to build on the work of Borras and Franco (2010a), who, with similar motives to my own, developed a schematic characterisation of the range of directions of change in both land use and land-based social relations, many of which have been lumped under the catch-all phrase ‘land grabs’. Theirs was a bold initiative to map these varied trajectories at a global level, and to illustrate them with reference to processes underway in Asia, Africa and Latin America. My paper is a response from a Southern African perspective: a first attempt to propose an initial typology of these trends as they manifest in the region, based on available information, desk-based research and interviews with some key informants (some of which is summarised in Appendix A).

**Thinking schematically about changes in land use and social relations**

The notion of land grabbing makes claims about the direction, pace and extent of change – that these are, respectively, unidirectional (towards intensive food and fuel production), rapid and massive. Borras and Franco (2010a) identify four directions of land-use change associated with recent large transnational land deals (Figure 1). Types A and B represent the displacement of food production for consumption and domestic exchange by either commodified food production or biofuel production (for the domestic market or for export). Types C and D represent an intensification of land uses, often from forest or marginal (‘idle’) lands to cultivation of food or biofuel crops, respectively.

Within each quadrant, they argue, a great diversity of change is occurring, including changes which run counter-current to ‘land grabs’ and involve the subdivision of estate agriculture into smallholder plots, such as redistributive land reforms in Brazil and under Zimbabwe’s fast-track land reform programme. Yet these are outliers. Within the ambit of what is now being called ‘land grabbing’, the most objectionable changes in land use are those related to, within Type A, the conversion of food production for consumption or domestic sale to production of food for export (especially in countries with chronically food insecure populations); within Type B, conversion of food production to production of biofuels for export; within Type C, indigenous forest clearance for food production for export; and within Type D, indigenous forest clearance for production of biofuels for export; within Type C, indigenous forest clearance for food production for export; and within Type D, indigenous forest clearance for production of biofuels for export.

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<td>Type C</td>
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<tr>
<td><em>Non-food to food</em></td>
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Figure 1. Main directions of land use change today.
Source: Borras and Franco (2010a, p. 13).
export (Borras and Franco 2010a, pp. 13–19). The contested ‘vacant land’, ‘idle land’ and ‘wasteland’ discourses – which characterise acquired land as unoccupied and unused, or at least under-utilised – suggest that new investments have not displaced local land uses and users (Hall 2010). It appears then that Type A deals may be justified by presenting them as Type C, while Type B deals are similarly characterised as Type D (Borras and Franco 2010a, Cotula et al. 2009, Hall 2010).

Changes in land use, though, may or may not involve changes in social relations of production, and it is largely these that underpin protest and contestation over land deals, rather than changes in land use per se. Recognising this, Borras and Franco (2010a, pp. 25–28) further distinguish between four directions of change in land-based social relations (Figure 2). Type A is redistribution of land property relations, through a ‘zero-sum’ reform process that alters the relative shares of landed and landless (or near-landless) classes in society; Type B is distribution of land to the landless for free or for marginal cost, through a ‘positive-sum’ reform in which landed classes are fully compensated, as in market-based reforms; Type C is non-(re)distribution where land policies formalise inequality, restore ownership but not control, or privatise public lands; and Type D is (re)concentration which may involve elite or corporate capture of resources or ‘perverse’ redistribution as in titling schemes, lopsided joint ventures and land leases.

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<td>Type C</td>
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<td>Non-(re)distribution</td>
<td>(Re)concentration</td>
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Figure 2. Flow of land-based wealth and power.
Source: Borras and Franco (2010a, p. 25).

These two schematic frameworks present a basis for distinguishing between the currents of agrarian change underway in Southern Africa, and I return to them below.

Drivers and trends in Southern Africa

No composite data set exists on major transnational land-based investments across the large and diverse region of Southern Africa. Where information about such acquisitions has come into the public realm, it is frequently partial, the result of local resistance and investigative journalism. Indeed, the secretive nature of such deals (the identities of the investors, the terms of the deals and the distribution of rents from them) is a feature of ‘land grabbing’ globally, partly because of the contested authority of states to allocate lands to which citizens might have a prior competing claim (Alden Wily 2010). For these reasons, the analysis presented here is necessarily patchy. This section focuses on five themes (both sectoral and geographic) to illustrate the spectrum of ‘land grabbing’ in the region.

Biofuels everywhere (but not enough to eat)

The rapid expansion of land acquisitions to produce biofuels was what initially drew public attention to the rush for Southern Africa’s farmland. This was driven in part by companies
seeking to meet the European Union’s demand for renewable fuel stocks to meet its target of 10% by 2020, despite the evident cost to food production (Oxfam 2008). This interest converged with shifts in energy policy among Southern African countries which recognised the possibility of meeting future energy needs from their own natural resources, limiting dependence on future oil imports and limiting exposure to the price volatility these necessarily involve (Sulle and Nelson 2009). This has taken the form of the expanding production across the region of \textit{jatropha curcas}, the Latin American shrub from whose seeds oil can be extracted and refined to produce biodiesel, as well as sugar for ethanol production and other agrofuels.

The widespread uptake of jatropha and sugarcane (for ethanol) has been seen across the region, in Tanzania, Zimbabwe, Zambia, Angola, Madagascar and South Africa. Both crops are grown by smallholders supplying processing companies, as well as in larger estate forms of agriculture. These biofuels therefore involve very different social relations of production, and different trajectories of change. The conflict between ‘food and fuel’ in the region is exemplified in the failed Daewoo Logistics deal for 1.3 million ha in Madagascar (over half the arable land of the country) for maize for food and palm oil for biofuel; this was among the factors that, in early 2009, contributed to the overthrow of the government. Daewoo’s purpose was to secure future fuel stocks and boost Korea’s food security by providing half of its maize imports from Madagascar alone (Ramiaramanana 2010). China also reportedly seeks 2.8 million ha in the Democratic Republic of Congo (DRC) for biofuels, and 2.8 million ha in Zambia.

Mozambique, though, has without doubt been the frontrunner in embracing biofuels since its 2004 election when the ruling Frelimo party urged all farmers to plant jatropha on all marginal and unused lands to ensure that Mozambique could become an ‘oil exporting country’ (Schut et al. 2010). Despite poor performance, and evidence that the ‘miracle crop’ could not withstand harsh agro-ecological conditions, investors initiated processing facilities for the production of biodiesel from jatropha, established large-scale sites for cultivation, and also entered into contract farming arrangements (Bijman et al. 2010). Following the rapid spread of jatropha, and its uneven performance, was the conversion of existing sugarcane production systems to ethanol, and the expansion of sugarcane cultivation to increase supply to processors (Schut et al. 2010). After at least four large land deals for jatropha were concluded, protest from civil society organisations and a one-year moratorium on new biofuel deals, the government adopted a biofuels policy in 2009 which aims to promote the industry while limiting negative outcomes. It also cancelled one contract in which the investor had not abided by stipulated conditions, and revived negotiations with 17 investors for new land allocations: two-thirds for biodiesel crops like jatropha and one-third for bio-ethanol crops like sugar (Schut et al. 2010, p. 5153). None of the implemented projects has thus far met its promised targets for job creation and most have focused on supplying external markets rather than the domestic market (Schut et al. 2010, p. 5165).

In the past two years oil price volatility has called into question the economic viability of large agrofuel initiatives. Crude prices spiked in 2007/08, but later declined to US$70 a barrel in 2009/10, prompting scepticism about the profitability of jatropha, sugar and other feedstock for biofuels in view of oil price trends. The initial rush for biofuels waned substantially as oil prices dipped, and also as the costs of producing, refining and transporting them became more apparent (Cotula et al. 2008). Yet political reasons for pursuing the biofuels route may explain the continued insistence of some governments in the region on biofuels as part of their national energy strategies, exemplified in what Matondi (2010) terms the ‘wacky fuel-economics’ of Zimbabwe.
Meanwhile, the development of a small-scale processing industry to enable local farmers to generate fuel from their own feedstock — to provide for the energy needs of rural households — has been slow to emerge. The nationalist arguments in favour of harnessing natural resources for energy generation to contribute to meeting national energy demand appear to have given way to a reality of corporate refining for external markets. Overall, the direction of biofuels in Mozambique, as elsewhere, appears to have been largely diverted away from the vision of smallholder production and refining.

**Extractive industries: mining and forestry**

Extractive industries represent a second dimension of land deals in Southern Africa. These might be understood as non-sustainable forms of resource extraction that are repatriated as profits to corporations (or governments) outside the locality. Foremost among the cases of land acquisitions for natural resource extraction are the mining and forestry sectors. While new mining investments are planned or underway in most countries in the region, this form is exemplified in the case of Angola, where local communities have been forcefully dispossessed to make way for mining, as well as oil and natural gas exploitation, and where such processes are highly militarised, being enforced through state military or private paramilitary forces employed by mining corporations (Chanda 2010). Acquisitions in the past few years have included those for aluminium mining in Bathucarta; natural gas projects by international consortia in Soyo, close to the border with Congo, to deliver 2 million barrels per day by 2013; silver mining in Dondo by the Portuguese; copper and gold mining by the Chinese in Damba; and diamond mining in Lunda, among others (Chanda 2010).

Elsewhere, too, recent years have seen the continuation and intensification of contestations between mining companies, national governments granting prospecting rights or mining permits, local and traditional authorities that act as gate-keepers and deal-makers, and communities on whose land such developments are envisaged. These trends are evident in the growth of uranium mining in Malawi and copper expansion in Zambia (Machina 2010). They are also evident in South Africa, where major new platinum mines are being established in the northern regions of Limpopo province by mining houses including Anglo Platinum. While purchase of white-owned farms for new mines is impeded by pending land restitution claims, many of the new mining developments are on communal land in the ex-Bantustans of Lebowa, Gazankulu and Venda. These have provoked violent clashes with police, acting on orders from political leaders, and led local communities to form solidarity groups with other mining-affected communities under the rubric of the ‘Jubilee South Africa’ campaign and with legal support from human rights organisations (Dolo 2010). In early 2010, seven villages were involved in violent altercations with police brought in by local councillors who had allegedly been paid by mining companies to facilitate their forced removal from their land (Jubilee Mokopane Platinum Committee 2010).

Forestry deals present similar opportunities for resource extraction, given the substantial indigenous forest cover in some countries of the region. Several deals include plans for new (exotic) plantations and processing mills for pulp and paper. In her aptly named *Chinese Takeaway!* report on forestry in Mozambique’s Zambezia province, McKenzie (2006, p. vi) found that

Asian timber buyers, local business people and members of the Government of Mozambique and their forest services are colluding to strip precious tropical hardwoods from these slow-growing, semi-arid and dry tropical forests at a rate that could see the resource exhausted in 5–10 years.
Duvane (2010) confirms that most indigenous forest in Zambezia has now been concessioned while large-scale logging is underway in three other provinces. Here, the private interests of public officials in the forestry, wildlife and agriculture sectors constitute a ‘timber mafia’, who use their authority in government to allocate annual logging licences and manipulate regulations while extracting rents and outright bribes, and in some instances even invest in logging companies themselves, with the apparent (at least tacit) support of national party leaders. A follow-up study entitled *Tristezas Tropicais* (tropical sadness) demonstrated that, while China might be the destination of the takeaway, those doing the taking away were mainly of other nationalities – Indian, Korean, South African, Taiwanese – as well as several multinational companies (McKenzie 2009). More generally, widespread perceptions of the role of ‘the Chinese in Africa’ may originate at least in part in the many non-Chinese actors who recognise and capitalise on growing demand in China, and seek to supply it. Distinguishing between grabbers, investors and destination markets remains a conceptual and empirical challenge in this area of research.

Sulle (2010) has also shown how forest clearance forms part of non-forestry land deals, including, in the case of Tanzania, large allocations of forested land for biofuel cultivation. At Kilwa, for example, a 34,000-ha allocation of indigenous forest prompted a ‘biofuels’ investor to install the largest sawmill in the region, harvesting up to 800,000 m³ of timber (more than the total harvested in the whole of southern Tanzania at the previous peak of logging in 2003), all in pursuit of a ‘pilot’ jatropha plantation – though obviously the change in land use was irreversible. The value of indigenous forest resources in this and other cases has been grossly under-calculated, offering a cheap route to extraction of forest products: compensation of US$9.50/ha was distributed on a ratio of 60:40 to the district and to the village (the legal manager, under customary tenure) (Sulle 2010).

**Reversals and state capitalism in Zimbabwe**

The term ‘land grabs’ has been widely invoked to describe the illegal occupation of Zimbabwe’s commercial farms (largely) by poor people since 2000. In this context, the term denoted a redistributive process which, for all its violence, messiness and (initial) illegality, altered the pre-existing agrarian structure in ways that sought to unravel and reverse the impacts of colonial land grabbing by white settlers and their governments (Cousins 2010). Scoones *et al.* (2010) have shown how, at least in Masvingo province, empirical evidence on land uses by the ‘grabbers’ challenges the pervasive and media-driven myths about unproductive land uses, low investment and resource capture by political elites. Household survey data show that beneficiaries were mostly local, poor households, who have invested in their new land and derive substantial livelihood benefits. These patterns may well be locality-specific, yet more recent data also confirms that, elsewhere in the country, the productivity of land uses post-fast track reform has recovered somewhat.

Now it appears that this land grabbing may be giving way to countervailing trends. Land grabbing ‘from below’ such as was seen during the 2000s may have dismantled a system of private property rights, but in the absence of political and legal momentum behind granting tenure rights to land occupiers, this renders what Scoones *et al.* (2010) characterise as the ‘new smallholders’ vulnerable to second-wave elite (and state-sponsored) land grabs. Such a reversal appears underway in the case of Chisumbanje in Manicaland, and extending to the Sabie River basin, where a deal has been concluded for
40,000 ha of sugarcane (Kawadza 2010) through a public–private partnership involving former South African rogue businessman Billy Rautenbach and ZANU-PF – the party with which he is so closely associated that the European Union and United States include him among the individuals listed for targeted sanctions (Sibanda 2010). The Chi-sumbanje deal is to take the form of a partnership with the parastatal Agriculture and Rural Development Authority (ARDA) and to include an ethanol plant at an expected cost of US$600 million. A second case, in Nuanetsi at Mwenezi, also in Masvingo province, follows a similar model of a major domestic investor partnering with a state institution. At Chisumbanje, while the government considered what compensation would be required – and officials made assurances that existing occupiers would be allowed to harvest their standing crops prior to removal – traditional leaders were allowed to determine whose names would be put forward to become suppliers to the new ethanol industry, and therefore (instead of being displaced) be accommodated as small cane outgrowers alongside the central estate (Kawadza 2010).

These developments have produced discursive reversals: now, the ‘settlers’ being threatened with removal are those black Zimbabweans who occupied farms in the early 2000s and have spent some years (re)building their livelihoods on them. The ‘grabbers’ may yet become the ‘grabbees’. Allegedly, some of the settlers being targeted and threatened with removal are those in constituencies of the opposition Tsvangirai faction of the Movement for Democratic Change (MDC-T). Foreign companies are involved as contractors for engineering and other technical services, but the investors themselves are domestic. Matondi (2011) suggests that some of the domestic investors involved in such deals are former white commercial farmers finding new forms of investment in agriculture, now with the blessing of the state. Emerging outcomes include narrow accumulation by party-connected political elites.

**The next Great Trek? South Africans head north**

South Africa’s (still almost exclusively) white commercial farmers have over the past two decades experienced dramatic changes in their political and economic situation. A combination of pressures has put these farmers – once a primary political constituency of the National Party apartheid government – into new difficulties, both objective and subjective. These pressures have been well documented and arise from agricultural deregulation; the rapid liberalisation of trade in agricultural products; and sharp increases in the prices of key farming inputs, particularly diesel and electricity (Bernstein 1996, Vink and Hall 2010). Further pressures include the introduction of basic labour rights and minimum wages for farm workers, the extension of tenure rights to farm workers and their families (Atkinson 2007) and historical land claims to large areas of commercial farmland by former black occupiers, owners and tenants (Walker et al. 2010). One response by white farmers has been, rather than diversifying or quitting farming, to move out of South Africa, elsewhere on the continent. While for the past decade at least small numbers of South African farmers have moved to Zambia, Mozambique, Nigeria and several other countries (Hammar 2010, Sjaastad 2010), this trend seems to be undergoing both a quantitative and a qualitative shift.

As of 2010, Agri South Africa (AgriSA), the dominant commercial farmers’ association, was engaged in discussions with 22 African governments concerning land acquisitions in their countries. Chief negotiator and deputy president of AgriSA, Theo de Jager, has led numerous delegations of farmers to meet with governments offering land. As of mid-2010, among the proposed deals were allocations of land for sugarcane
production in Mozambique and Sudan’s Nile Delta, and horticultural expansion in Egypt and Libya (while Libya was itself concluding its own deals in Zimbabwe, Mozambique, Malawi and even the Ukraine) (Groenewald 2009, Shacinda 2010). The major constraint on further deals is the absence of bilateral investment treaties to secure investors’ assets and the right to repatriate profits (Cotula and Vermeulen 2009b, Southern African Confederation of Agricultural Unions (SACAU) 2010).

Whereas in the past they migrated largely individually or in small groups, now their migration is being more centrally organised and coordinated, enabling large concessions for newly formed consortia of farmers and agribusinesses. South African agribusinesses are extending their operations into neighbouring countries, and in some cases further afield. South African investor interests increasingly extend beyond ‘agriculture’ and ‘farmers’ to other economic sectors; the South African agribusinesses partner with construction, engineering and financial institutions to expand into grain storage, road construction, and financial services (Donnelly 2009, Maluleke 2009). Less visible is the degree to which financial speculation and investment are driving South African capital into African farmland. As part of a growing trend, two asset management firms established a R3 billion investment fund, offering ‘access to stable, long-term returns within the context of continuing development in the agricultural sector’ (Reuters 2010).

The most significant recent deal offering African farmland to South African farmers was in the Congo (Brazzaville). In October 2009 the government of the Congo signed an agreement with AgriSA in which it allocated to a consortium of South African commercial farmers an initial area of 200,000 ha of former state farms, with the option of expanding to 10 million ha – an area twice the size of Switzerland. The country imports 95% of its food requirements, and its agriculture minister claimed that the deal would stimulate agriculture as part of its New Plan of Action (South Africa Press Agency (SAPA) 2009). Although initially mooted as a 99-year lease, it appears that a renewable 30-year lease was signed, in terms of which no rent is payable, agricultural inputs may be imported tariff-free, the right to export produce (planned to include vegetables and poultry) is unlimited, and these rights are heritable. A Congolese human rights organisation alleges that communities in the affected areas, which hold customary land rights, were not adequately consulted,1 though official sources claim that the land was vacant and unused, while also promising that local people will benefit from employment (SAPA 2009).

Also expanding are South African agribusiness and processing industries, prime among them the oligopolistic sugar industry. South Africa’s two sugar giants, Illovo and Tongaat-Hulett, are both involved in regional expansion of their estates and outgrower schemes for sugarcane (much of which is for ethanol production) in Mozambique, Zambia and Tanzania among others (Richardson 2010). Both are subject to extensive land claims in South Africa. A major target for Illovo in particular is Malawi, at Nchalo Sugar in the south and Dwangwa Sugar in the north. Their consultants and business partners are moving with them. The South African engineering firm PGBI has been commissioned by the International Finance Corporation (under the World Bank Group) to produce a guide for investors in the sugar industry, including information on how to address land, social, and environmental issues, and has itself also obtained contracts for building sugar mills and ethanol plants in a number of African countries.2

Although land acquisitions elsewhere in the region have been spearheaded by organised agriculture, the South African government has extended its support as part of its strategy to assure food (and fuel) supplies while pursuing regional integration. As of late 2009, bilateral government talks were underway with Angola, DRC, Sudan, Uganda and Zambia. As Minister of Agriculture Tina Joemat-Pettersson assured the AgriSA congress, ‘If we can’t
find opportunities for white South African farmers in this country, we must do it elsewhere in the continent’; this she characterised as ‘an equal relationship between people of the African continent’ (cited in Hoffstatter 2009).

South African expansion in the region is not only for farming (or mining) but also for tourism, taking the form of coastal developments (including some illegal fencing) in Mozambique and Tanzania in particular, and game farms, safari and hunting operations in several other countries through the region (Piliso 2010). Enclosures for conservation and recreation have their own long history in this region, involving large areas and provoking (sometimes violent) contestations over resource rights.

Where is the food?

If ‘land grabbing’ is a response to volatility in global food markets, as is widely claimed (by IFPRI among others), then what is striking in Southern Africa is the prevalence of land acquisitions for purposes other than food production. While modest numbers of South African and Zimbabwean farmers have invested in horticulture and livestock production in Zambia, Mozambique and elsewhere, large food production deals seem scarce indeed.

The major food commodity being promoted by foreign investors in the region is rice, and rice expansion has taken several different forms, as the examples of Madagascar and Mozambique illustrate. Ironically, in Madagascar the Rajoelina government that came into power on the back of the 2009 coup prompted by the failed Daewoo biofuels deal has since acceded to two alternative deals, one with Daewoo and a second with another South Korean company, Varun. The deals, not yet implemented, involve the companies contracting with 13 farmer associations for rice cropping in the livestock producing areas of the west, hence displacing food production for local markets, and in the east, which is largely covered by indigenous rainforest and protected areas (Ramiaramanana 2010). In total, this would affect about half of the area initially foreseen in the stalled Daewoo deal, this time achieving similar objectives through different institutional forms, now through contract farming for the most part rather than estates.

A second example of rice expansion is the case of the 20,000 ha Mauritian deal in Mozambique, which appeared an intraregional deal, but turned out to involve the onward transfer by the Mauritians of the land rights they acquired for rice cultivation to a producer of hybrid rice eager to extend its client base – Singaporean biotechnology company Vitagrain (GRAIN 2009a). This partnership includes joint research and development on hybrids, capital investment for production by Vitagrain, and securing of concessions in the region by the government of Mauritius through its various diplomatic missions. The Mauritians and Singaporeans (and in turn their Australian financial backers) are not alone in seeing Mozambique as a prime location for seed development. Chinese and Vietnamese farmer settlement in parts of Mozambique – Tete and Zambezia – may also focus on testing hybrid rice varieties (GRAIN 2009a). All the deals envisage large-scale and capital-intensive production.

Mapping the dimensions of land grabbing

Making sense of the diversity of deals described above requires addressing what I suggest are the 12 main dimensions of land acquisitions (Table 1). These include the size, duration and source of the investments; the commodities and the business models through which they are implemented; the tenure arrangements and resources accessed; the terms of leases and compensation; the degree of displacement; labour regimes and employment...
creation; and changes in settlement and infrastructure. The purpose here is to not to make any claims to what is typical, but rather to illustrate the variety of land deals (i.e. major transnational land acquisitions) in the region.

Applying Borras and Franco’s framework to the emerging empirical data on Southern Africa draws attention to the predominance of land use changes of Types B and D over Types A and C (i.e. towards biofuels rather than towards food). A gap in the framework, though, and a significant trend in the region, is the conversion of land use from food to non-food (other than biofuels), as in the displacement of local food production and other land uses by mining, tourism and forestry deals. This suggests the need for a third column, ‘to Non-food’ with Type E (Food to non-food) and Type F (Non-food to non-food).

This schema also helps to illuminate how these trends are unravelling the modest gains made in the region towards securing and redistributing rights to land (Figure 4). Land reforms are still unfolding alongside concentration – which is reversing such reforms (as in Zimbabwe, Type A) and/or affecting different populations (as in South Africa). Dynamics of land grabbing are less pronounced in South Africa, where land grabbing took place decades and even centuries ago, and where private title extends over most of the territory. The typology, then, is useful in connecting processes of ‘land grabbing’ underway in the region (Type D) with faltering initiatives to redistribute land (Type B), initiatives which are increasingly giving way to narrow forms of de-racialisation without wider changes in farm sizes, land uses, production technologies or employment, and without altering unequal class relations (Type C).

However, the scheme proposed by Borras and Franco (2010a) does not address the institutional forms, or business models, through which these social relations are perpetuated.
or transformed, and in what direction. The focus on ‘land relations’ is limiting, and needs to be expanded to ‘agrarian class relations’.

Building on these observations, and elaborating on one dimension of land deals in Table 1, I would like to propose a five-fold typology of the business models through which land grabbing is taking place in Southern Africa, in the hope that this will serve as a basis for future investigation, criticism and elaboration. First, an *extraction model* involves the stripping of resources without longer-term investment or production, and is by definition an unsustainable business model. Second is an *enclave model* involving outright takeover of land and related resources (perhaps displacing others) and the construction of related infrastructure, partly to provide inputs to and process output of a commercial enterprise, but also to provide the social and physical infrastructure required for commercial operations. These are what Ferguson (2006) terms ‘enclave economies’ that are poorly integrated into their surrounding society and economy. Third is a *colonist model* involving the introduction of commercial operators who take over a block or area, as has been seen in parts of Mozambique and Zambia, for instance, with the introduction of white commercial farmers from Zimbabwe and South Africa (Hammar 2010, Sjaastad 2010). Fourth is an *outgrower model*, involving the development of processing facilities (usually with a core commercially operated estate), through which small producers are incorporated into commercial value chains. Fifth is a model of *commercialisation in situ*, in which small producers and other land users are incorporated into new or transformed commercial value chains in the absence of any core estate or sometimes even any processing facility – in which case the form of commercialisation is primary commodity production with resonances to past modes of accumulation.

<table>
<thead>
<tr>
<th>Type A</th>
<th>Type B</th>
<th>Type D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food to food</td>
<td>Food to biofuels</td>
<td>Food to non-food</td>
</tr>
<tr>
<td>Very little; some rice and some cultivation and livestock by South African and Zimbabwean farmers</td>
<td>Very substantial in Mozambique, Zambia, Angola, Zimbabwe, South Africa, Madagascar and Tanzania (but slowing down?)</td>
<td>Displacements of people and their land uses (i.e. whole settlements) for mining and tourism deals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type C</th>
<th>Type D</th>
<th>Type E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-food to food</td>
<td>Non-food to biofuels</td>
<td>Non-food to non-food</td>
</tr>
<tr>
<td>Rice expansion in Mozambique and as above; degree of displacement of local food production difficult to ascertain</td>
<td>Widespread, especially through forest clearance for plantations, as well as through ‘in-filling’ of unused land surrounding cultivated fields</td>
<td>Widespread enclosures for forestry (including plantations), mining and tourism deals</td>
</tr>
</tbody>
</table>

Figure 3. Main directions of land use change.
Source: author’s own, adapted from Borras and Franco (2010a, p. 13).
These may be seen as points along a spectrum representing the degree to which land-based social relations are altered through exclusion of local users and others with claims to the natural resource base. Although the discourses of ‘land grabbing’ suggest extraction and enclaves (the first and second models above) – for instance the rumours of the Chinese bringing in all their input supplies including (prison) labour, even though little evidence is available to corroborate such a view – much of what we do know is underway in the region is along the lines of an intensification of existing trends of colonisation programmes for the settlement of commercial farmers (the third model), now on a grander scale, and the massive expansion of outgrower schemes and the commercialisation in situ of smallholder agriculture (the fourth and fifth models). The latter have been driven by the demands of national governments for food security, but also of agroprocessors for commodity supplies and feedstock.

Reflecting on these trends: what fresh insights?

Attracting foreign investment is not a new priority for governments in Southern Africa; indeed the orientations of state investment policy demonstrate more continuity than change. This is a demand-side boom for which governments – and citizens – in the region were poorly prepared. Understandings of ‘land grabbing’ in Southern Africa may now need to be moderated, taking into account the degree of attrition involved between proposed deals and concluded deals; concluded deals and actual investment; actual investment and displacement of local people and their land uses. Simultaneously, and paradoxically, media-driven depictions of the rush for farmland for food and biofuels by the Chinese and Koreans with the backing of their governments and by Western corporations may be missing the mark, as equally profound but less visible transformations gather pace.

First, the current investment rush is riding a tide of state-sponsored grabbing of resources from citizens. If Africa and Southern Africa in particular are the hottest targets for land grabbing, why is this the case? The World Bank (2009, 2010) argues that this is a ‘vast under-utilised reserve’ and the answer to the forecast global food deficits. This serves more as prescription than explanation. An alternative and more compelling explanation is that it is rendered cheap because the property rights of those with uses and

<table>
<thead>
<tr>
<th>Type A</th>
<th>Type B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redistribution</td>
<td>Distribution</td>
</tr>
<tr>
<td>Fast-track in Zimbabwe</td>
<td>Faltering land reforms in South Africa and Namibia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type C</th>
<th>Type D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-(re)distribution</td>
<td>(Re)concentration</td>
</tr>
<tr>
<td>Some co-management and joint ventures; various tenure reforms</td>
<td>Reconcentration in Zimbabwe; all other countries also experiencing large land acquisitions</td>
</tr>
</tbody>
</table>

Figure 4. Flow of land-based wealth and power.
Source: author’s own, adapted from Borras and Franco (2010a, p. 25).
claims on the land are not recognised either in law or in practice. The lessor is frequently not
the holder of land rights, having failed legally to extinguish pre-existing customary land
rights — thus the ‘grabber’ is usually the state rather than foreign investors (Alden Wily
2010). Despite efforts to decentralise the administration of land rights, poor local commu-
nities have been pitted against global capital, with local, provincial and national state auth-
orities playing ambiguous, sometimes contradictory roles. Yet, as inconclusive as it may be,
the hiatus on new biofuels deals in Tanzania, in response to evidence of negative impacts on
local people, shows that democratic pressure can be brought to bear (Sulle 2010).

Second, and following the point above, the investor rush has produced stalemates and
reversals in the land reforms underway in the region. The flurry of land rights law and
policy development of the 1990s in the region has given way to deeply ambivalent positions
of states on the question of citizens’ land rights vis-à-vis state authority over land. Mozam-
bique exemplifies this tension: its progressive land rights framework gives statutory recog-
nition to de facto land rights, yet it is also a centre of grabbing, as the current government
appears intent on dismantling much of what is innovative about its legal framework. Others,
like Angola and Zambia, appear chronically unable to conclude their protracted processes
of developing national land policy and law.

Third, in Southern Africa the lessees are often not the investors, as onward transfers
(from domestic to foreign companies) of leases, concessions or other acquired rights is
widely practiced, spurred in part by increasingly diverse and speculative interests in
land. Whether investment is domestic or transnational, then, may be obscured. According
to the Bank’s study (World Bank 2010, p. xiv), the domestic share of Mozambican land
allocated is 53%; anecdotal evidence shows though that much of this ostensibly domestic
investment involves onward transfers of rights for resource extraction and utilisation.
Similar patterns might explain the surprisingly high domestic shares of large land acqui-
sitions elsewhere, in countries like Ethiopia (49%), Sudan (78%) and Nigeria (97%), as
reported by the World Bank (2010, p. xiv).

Fourth, the presumption that land grabbing produces ‘development-induced displace-
ment’ of smallholder farmers may obscure the degree to which, in parts of Southern
Africa at least, it incorporates smallholder producers in new social relations and patterns
of accumulation. In biofuels, initial models of large estate agriculture appear to have
given way to smallholder production, largely through outgrower schemes. Similar patterns
are emerging with respect to the (largely South African) sugar rush, though in this case the
substantial fixed capital investments associated with establishing new sugar mills necessi-
tates a core estate to assure supply for processing in addition to small cane growers. The
conversion from independent producer to contract farmer to labourer involves rapid rural
proletarianisation — rather than de-agrarianisation as the gradual outcome of long trajec-
tories of rural-to-urban migration and growing rural demand for goods and services con-
sidered by Bryceson (1996) (also Bryceson and Jamal 1997).

Conclusions
A growing body of evidence is addressing the nature and scale of land deals in the Southern
African region, yet it falls far short of a comprehensive picture of these dramatic changes in
land rights and use that are unfolding. This article, too, is far from comprehensive. The
purpose here is to highlight selected trends and contribute to the task of establishing
‘analytical signposts’ in the literature on land grabbing. This, it is hoped, might assist in
differentiating amongst land acquisitions in Southern Africa in order to determine deeper
underlying drivers of the trend, to uncover the (contradictory) interests at work within the region, and also to contribute to an agenda for research.

Underlying the diversity depicted in this article is nevertheless a common direction of agrarian transformation – towards the ‘South Africanisation’ of the region, not in the literal sense of South Africa becoming the coloniser of the region (though elements of that view may indeed be true!) but rather in the sense that the changes underway – concentration of control over land, labour and value chains (capital) – are rendering the agrarian structure of several countries more like that of a settler state like South Africa. One outcome of these enclosures and concentrations of control over land may be a narrowing of the contrast between those countries with a history of settler colonialism and those without.

These perspectives draw into question the (political) purpose of responses from international financial and development institutions, which have tended to prioritise procedural safeguards to curb the excesses of ‘grabbing’ in the forms of a ‘code of conduct’ or ‘principles to guide responsible agro-investment’ (Food and Agricultural Organization (FAO) et al. 2010, criticised by Borras and Franco 2010b, among others), rather than questioning the paradigm of development that promotes such deals, and the directions of agrarian change that they precipitate.

The focus of the land grabbing discourse on ‘mega’ land deals obscures the multi-layered processes underway that both confirm concerns about ‘land grabbing’ and yet which defy the associations of that term with illegality, large-scale acquisitions, and the displacement of local people. While such grabs are indeed in evidence, these are relatively isolated instances and – in response to media attention, civil society mobilisation and pressure from the international aid and development community – may be on the wane. In contrast, the rise of pro-smallholder and green revolution policy discourses may present a route by which trends towards outgrowing and commercialisation in situ are accelerated.

This review exposes the degree to which established conceptions in international political economy – of the global North and global South – founder when confronted with dynamic adjustments in the face of threat and opportunity brought on by the multiple crises in food, fuel and financial systems. Perceptions of ‘land grabbing’ (and the innuendo of the term itself) require some nuancing in response to the complex realities unfolding in Southern Africa. First, what is being grabbed is not only the land but also the water and the minerals and, I would argue, the cheap labour with which to exploit these. Second, although the concept has been consistently linked to ‘foreign’ investors, in this region at least, it is clearly not all transnational; indeed, many of the processes described above involve domestic investors, intra-regional grabbing or domestic investors in partnership with parastatals and other regional investors. Third, and perhaps in contrast with trends elsewhere on the continent, it is largely legal – even if this entails amendments to national laws, and even if contrary to international human rights agreements.

The term ‘land grabbing’ – while mobilising – patently fails to capture the range of actual experiences. It is not so much that the term lumps together ‘apples and oranges’; it is more like ‘apples and combine harvesters’. Is the term useful, then, in the analysis of major (trans)national land-based investments in Southern Africa? Insofar as it precipitates questions about what is being grabbed, by whom, from whom, for what, and with what effects, and draws attention to injustice and elite capture of resources, it remains a relevant concept. Yet I would argue that in its current use, it draws attention away from trends that involve not the mere capture of land but the capture of labour, water, and most of all, the adverse incorporation – rather than exclusion – of smallholder agriculture into new value
chains, patterns of accumulation, and the wider transformations in agrarian structure and agro-food systems that these precipitate. In Southern Africa, then, among the areas for further enquiry is the nature of this adverse incorporation. This implies addressing questions not only about how these deals come to be, their implications for displacement and impacts on livelihoods (i.e., what is being threatened or destroyed), but also asking what land grabbing produces: what new social relations, land politics, labour markets and modes of accumulation are being produced?

Acknowledgements
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Note on contributor
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Notes
2. Interview with Martin Eweg, consultant, AgriCane, and former research specialist, South African Sugar Association, Cape Town, 6 July 2010.

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## Table A1. Major transnational land deals in selected Southern African countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sector</th>
<th>Context</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>Rice</td>
<td>Mostly large-scale (&gt; 10,000 ha upwards) deals; actors include Chinese and Japanese (through Vietnamese contractors); some approved; Mozambican government as partner in at least one</td>
<td>Zambezi valley, Limpopo valley (one-quarter of agricultural land), Matutuine – the river valleys</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Many deals; mostly coastal, mostly small hectares, mostly illegal; diverse investors (mostly South African, but increasingly multinational)</td>
<td>Maputo through to Beira, Ancoche, Pemba, Nacala and Quirimbas archipelago</td>
</tr>
<tr>
<td></td>
<td>Biofuels (jatropha)</td>
<td>Many actors in Mozambique, from 10 to 70,000 ha per deal</td>
<td>All over (expanding from the dry south to the more fertile central north – more densely populated and more agricultural land uses being displaced)</td>
</tr>
<tr>
<td></td>
<td>Biofuels (ethanol)</td>
<td>For sugar exports and for ethanol – but changing towards the latter, and expanding (will be 90% ethanol). Big and growing over colonial sizes: over 100,000 ha in Mozambique already, 50,000 ha in the pipeline</td>
<td>Major river valleys</td>
</tr>
<tr>
<td></td>
<td>Forestry</td>
<td>Plantation forestry affects a huge area – the biggest of all the sectors making land deals</td>
<td>Manica, Zambezia and Niassa (mostly the plateau), with best rainfall, soils</td>
</tr>
<tr>
<td></td>
<td>Dams</td>
<td>Proposed construction of six hydroelectric dams in Mozambique</td>
<td>Six river valleys to be affected</td>
</tr>
<tr>
<td>Angola</td>
<td>Biofuels (jatropha)</td>
<td>Statoil (a Norwegian company) is the only actor so far; rapid expansion to date, and further expansion possible</td>
<td>Kwando, Kubango (the least populated areas for now – but IDPs returning from war may be unable to resettle)</td>
</tr>
<tr>
<td></td>
<td>Biofuels (ethanol)</td>
<td>Sugar largely for ethanol</td>
<td>Melange, Kwanza Sul</td>
</tr>
<tr>
<td></td>
<td>Mining</td>
<td>Diamond industry in Angola is the least documented. Huge numbers of alluvial miners (small) and now more big deals: De Beers and ENDIAMA (parastatal), the Israelis, other mining companies</td>
<td>Lundas (substantial logistical and security challenges in conducting research here)</td>
</tr>
<tr>
<td></td>
<td>Dams</td>
<td>Hydroelectric dam development proposed in two regions of Angola</td>
<td>Two river valleys to be affected</td>
</tr>
<tr>
<td>Country</td>
<td>Sector</td>
<td>Description</td>
<td>Location</td>
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<tr>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Zimbabwe</td>
<td>Biofuels</td>
<td>Public Trust established on 360,000 ha, prompting protest from local communities, the reversal of gains made through land reform; foreign investors appear to be fronted by local elites.</td>
<td>Mwenezi</td>
</tr>
<tr>
<td></td>
<td>(jatropha)</td>
<td>Sugar for ethanol for local power generation, as part of import substitution/sanction-busting strategy, but involving foreign private sector investors in partnership with state and party interests.</td>
<td>Chisumbeja</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Biofuels</td>
<td>Sugarcane for export of ethanol on 22,000 ha, with a further 500,000 ha under negotiation; outgrower model proposed, with block large-scale farming as an alternative. Forest clearance and high environmental impacts.</td>
<td>Bagamoyo, coastal forest and national park</td>
</tr>
<tr>
<td></td>
<td>(ethanol)</td>
<td>Tourism</td>
<td>Loliondo, Masaailand</td>
</tr>
<tr>
<td>Madagascar</td>
<td>Rice</td>
<td>Estate rice production on 130,000 ha of lowland communal land, with a 50-year lease in place with a South Korean investor – despite the collapse of the Daewoo deal following political opposition to it, culminating in the 2009 coup.</td>
<td>Northwest regions, including 13 river valley farming systems</td>
</tr>
<tr>
<td>Malawi</td>
<td>Mining</td>
<td>Uranium exploration by an Australian company on customary land, with some displacement of local people, and reportedly with a 15-year tax holiday.</td>
<td>Karonga, Northern Malawi</td>
</tr>
<tr>
<td></td>
<td>Cotton</td>
<td>Cotton production and processing plant by Chinese companies on customary land, deal concluded two years ago and production underway.</td>
<td>Southern and Central Malawi</td>
</tr>
<tr>
<td>Zambia</td>
<td>Biofuels</td>
<td>Expansion of the existing South African sugar company land to meet demand in the European Union market, through an outgrower scheme, but with unclear land rights for new outgrowers on communal land.</td>
<td>Mazabuka district in Southern Zambia</td>
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<table>
<thead>
<tr>
<th>Country</th>
<th>Sector</th>
<th>Context</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>South Africa</td>
<td>Mining</td>
<td>Expansion of copper mining alongside proposed biofuel production, with potential impacts both for local livelihoods and labour migration, including physical displacement and labour displacement</td>
<td>North-Western province</td>
</tr>
<tr>
<td>South Africa</td>
<td>Biofuels (jatropha)</td>
<td>Planned expansion of biofuel production on 1 million ha of so-called under-utilised land in poorest rural districts through contracts with domestic and foreign investors – for the first time giving commercial access to communal areas where land rights remain unclear and contested</td>
<td>Communal areas, especially former Transkei bantustan</td>
</tr>
<tr>
<td>South Africa</td>
<td>Biofuels (ethanol)</td>
<td>Planned expansion of sugar production for ethanol in high-rainfall regions under customary tenure through contracts with the two established sugar mills (not transnational)</td>
<td>Communal areas, especially former KwaZulu bantustan</td>
</tr>
<tr>
<td>Namibia</td>
<td>Dams</td>
<td>Proposed construction of a hydroelectric dam on the Namibian–Angolan border to be implemented by Brazilians, displacing Himba, and with high costs likely in terms of livelihoods, especially for pastoralists, and an end to a way of life</td>
<td>Baynes Falls on Kunene River, Namibian–Angolan border</td>
</tr>
<tr>
<td>Namibia</td>
<td>Mining</td>
<td>Uranium and platinum rush and the issuing of prospecting licences, and in one case so far a long-term lease, for land held under customary tenure and without prior consent, displacing cultivation and destroying gravesites</td>
<td>Orongo region, among others</td>
</tr>
<tr>
<td>Various</td>
<td>Various</td>
<td>Expansion of South African commercial farmers into various countries in the region and into Central and West Africa, including concessions by governments of up to 10 million ha (Congo); largely for production of food crops for export to the European Union and with supply contracts to South African processing and retail companies</td>
<td>Focus on country of origin (South Africa) of groups of commercial farmers</td>
</tr>
</tbody>
</table>

Source: Author’s own summary of cases of major transnational deals, as discussed at the PLAAS Regional Workshop on Commercialisation of Land and ‘Land Grabbing’ in Southern Africa, Cape Town, South Africa, 24–25 March 2010.
The politics of agrofuels and mega-land and water deals: insights from the ProCana case, Mozambique

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This paper examines the politics of large-scale commercial biofuels production and mega-land–water deals, with special reference to the dynamics of changes in land/water use and property rights and how these impact on the lives and livelihoods of the socio-economically marginalised rural sectors in the countryside. The main argument is that the assumption about existing, available marginal lands is fundamentally flawed. It is demonstrated by examining the ProCana sugar cane ethanol plantation in Gaza province in Mozambique.

Keywords: land grabbing; land use; agrofuels/biofuels; Mozambique; ProCana; corporate accountability

Introduction: agrofuels and global land–water grabbing

The recent realisation about ‘peak oil’ has renewed interest in liquid agrofuel that had witnessed initial interest in the early 1970s which was then also provoked by the oil crisis. There is a special interest in liquid agrofuel because it is ready for blending with fossil fuel and immediately useable in existing technologies in the global transport sector. Despite ebb and flow in the Brazilian ethanol industry since the early 1970s, it continues to be the world’s largest and most technologically advanced sugar cane-based ethanol industry (Wilkinson and Herrera 2010). But it was the recent decision of the United States government to shift much of its corn from grain use for livestock to ethanol to fuel cars together with the European Union policy for mandatory biofuel blending that, combined, have provided the most important context for the global interest in agrofuel. In the United States and European Union there are three main policy narratives that underpin the quest for agrofuel: as a response to climate change (greenhouse gas savings), energy security since many of the sources of fossil fuel are politically hostile or unstable countries, and rural development since the promotion of agrofuel are claimed to promote employment and livelihoods. But even if all currently cultivated lands in the United States and European Union are transformed into biofuel production, it will not be sufficient to meet the growing demands for agrofuel. It is in this context that outsourcing biofuel production has become a key pillar in the emerging global agrofuel complex (Gillon 2010; and Franco et al. 2010).
Moreover, the United States and European Union biofuel narratives in particular, and the climate change policy discourse in general, have provoked similar biofuel mandatory blending policies worldwide, with highly uneven processes from one society to the next (e.g., Borras et al. 2010).

The biofuels phenomenon and the interlinked food crisis that hit the world in 2007–2008 triggered multiple effects in terms of socio-economic and political responses worldwide. One of the immediate effects is ‘global land grabbing’. The latter has already been slowly developing for years and should be seen from a historical perspective (McMichael 2009), but the 2007–2008 food and oil crises triggered a faster pace and wider scope, and multiple actors, e.g. China, the Gulf States and South Korea, but also transnational corporations from the West engaged in multiple interests – from agribusiness to biofuels, from finance to biotechnology, from cars to food. The general narrative is that there is a solution to the food and oil crises, and the solution lies in the existence of global reserve agricultural lands that are marginal and under-utilised, and that transforming these lands into zones of food and biofuels production for export would result in a ‘positive sum’ for societies and not undermine the food security of affected local communities. It will even reinvigorate anaemic rural economies in developing countries because it will generate employment and livelihoods to local people. Klaus Deininger (2011) of the World Bank estimates these available lands to be somewhere between a minimum of 445 million ha and a maximum of 1.7 billion ha, with a significant portion of these located in Africa. In a short period of time, or by the end of 2010, the World Bank reported that 45 million ha of land had already been allocated through mega-land deals, the majority of which are in Africa, although about 70% of these land investments are not yet in full operation (Deininger 2011; also Cotula et al. 2009). There is a special interest in promoting large-scale industrial sugar cane plantations in Africa in the belief that there is sufficient supply of available, appropriate lands there (Richardson 2010).

There are widespread reports of corruption in these land deals, as well as disruption, displacement and dispossession among rural poor people’s communities (e.g. Vermeulen and Cotula 2010). In response, multilateral agencies led by the World Bank have pushed for a regulation of land deals via the so-called ‘principles of responsible agricultural investments’ or RAI principles (World Bank 2010). Critics such as the United Nations Special Rapporteur for the right to food Olivier De Schutter argue that this will not prevent, but is likely even to facilitate further land grabbing (De Schutter 2010; also Borras and Franco 2010). Supporting De Schutter, Li (2011) argues that the worst scenario is when capitalist corporations needed the land but not the labour of local people in situations where the dispossessed cannot be absorbed in any productive sectors (industrial or agricultural, in town or country): they become ‘surplus people’ in very precarious living conditions.

This paper will get its analytical signpost from De Schutter and Li, and argue that that the notion of existing, available marginal lands is fundamentally flawed; investors are looking not only for available lands, but also lands that have sources of water. It will look into the case of Mozambique, and the initial phase in setting up the ProCana sugar cane ethanol project in particular, to explain the point. The fieldwork for this paper was carried out in August–September 2009, and in several shorter visits after that period by the authors, individually and as a group.

**Agrofuels and mega-land deals in Mozambique**

Mozambique fits the profile set by mainstream institutions about the narrative on marginal lands: a land-abundant country where taking blocks of under-utilised lands is theoretically...
assumed not to result in livelihood disruption or displacement and the dispossession of local people. Therefore, Mozambique is one of the countries in the world today where agrofuels (ethanol and biodiesel) are currently pursued with great optimism and vigour by transnational corporations, international development agencies and the national government. The Mozambican President, Armando Guebuza, said that ‘biofuel development will not dislodge Mozambican farmers from their lands’. According to the Mozambican leader, underutilised or empty lands would be cultivated for biofuels, and the same initiative would ‘avoid using lands used for food production’. This statement was declared during the launch of the Central African Mining and Exploration Company (CAMEC) sugarcane ethanol project (popularly known as ‘ProCana’), when the London-based company announced it would invest US$510 million in 30,000 ha of land in Gaza province (Biofuels-Digest 2008).

One of the bases for the optimism on biofuels lies on the current state of agriculture in Mozambique. By 2008, agriculture employed 80% of the country’s population, but contributed less to the country’s gross domestic product, at more or less 25%, while the sector contributed 16% to all exports. Commercial agriculture is not the norm, where agribusiness covers only 3% of the total cultivated land. Based on this profile, a team of consultants sponsored by the World Bank and the Embassy of Italy prepared a policy study and recommendation to the Ministries of Energy and Agriculture on biofuels for the country, emphasising the availability of under-utilised lands: ‘Five million hectares of land are currently under production, and land available for expansion of production ranges from 10 million to as much as 19 million hectares’ (Econergy International Corporation 2008, p. 22).

After the initiation of numerous biofuel projects without any policy framework in place (Table 1), in May 2009 the government of Mozambique finally approved a new ‘Policy and Strategy for Biofuels’ (Government of Mozambique 2009). It is the result of the priority set by the Ministry of Energy to develop a national energy sector, reduce oil imports and enhance energy security (Econergy International Corporation 2008). It is the main policy instrument that will govern the production and exchange of biofuels in the country. The policy declares that the biofuel sector will be developed in three stages: a pilot phase from 2009 until 2015, an operational period from 2015 until 2020, and expansion afterwards.

The official regulatory framework promises to ensure that the sector will promote ethanol and biodiesel produced from agricultural raw materials appropriate for Mozambique’s agricultural and climate conditions (Macauhub 2009). Among the beneficial outcomes expected by the government are: (1) the gradual replacement of fossil fuels; (2) employment generation; (3) the possibility of producing agrofuels and still preventing the spread of monocultures, while considering food security demands and generating income amongst the rural population; and (4) giving the peasant population the opportunity of transforming their agricultural products into biofuels for their energy needs, as well as exporting products with added value (Government of Mozambique 2009). Marcelina Mataveia of the Ministry of Energy explained further the six-point ‘Policy and Strategy Principles’ in promoting biofuels (Mataveia 2009):

- **Inclusiveness** – the establishment of business opportunities for the private investors and rural community, including big and small producers.
- **Transparency** – to ensure that the pricing mechanism is handled in as transparent manner as possible, so overall management of the National Biofuels Program allows for the participation of all stakeholders.
Table 1. Biofuels projects in Mozambique, late 2008.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description (development stage)</th>
<th>Feedstock and target market</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>C3 – Biodiesel</td>
<td>Operational; Jatropha plantation for biofuels production and related activities; exports contemplated</td>
<td>Bairro de Rumbana, Maxixe (Inhambane)</td>
<td></td>
</tr>
<tr>
<td>Deulco</td>
<td>In plantation; Jatropha plantation for biofuels production and related activities; exports contemplated</td>
<td>Inhassune, District of Panda (Inhambane)</td>
<td></td>
</tr>
<tr>
<td>Elaion Africa</td>
<td>In plantation; Jatropha plantation for biofuels production and related activities; exports contemplated</td>
<td>Localidade de Savane, Dondo, Sofala</td>
<td></td>
</tr>
<tr>
<td>Ecomoz</td>
<td>Under construction; Biofuels production and related activities</td>
<td>Petromoc installations (port cities of Maputo, Beira and Nacala)</td>
<td></td>
</tr>
<tr>
<td>Adama</td>
<td>Not yet presented to Commission for the Promotion of Industry (CPI)</td>
<td>Manica</td>
<td></td>
</tr>
<tr>
<td>Local community initiatives</td>
<td>Encouraged by a presidential speech on radio; Jatropha for biodiesel and related activities</td>
<td>District of Moamba (Maputo province)</td>
<td></td>
</tr>
<tr>
<td>CAMEC, Central African Mining and Exploration Company (ProCana)</td>
<td>Presented to the CPI; feasibility study; Sugarcane for production of sugar and refined sugar, electric power and fertiliser; exports contemplated</td>
<td>Massingir (Gaza)</td>
<td></td>
</tr>
<tr>
<td>Haha Projects</td>
<td>Biodiesel from jatropha</td>
<td>Provinces of Nampula or Cabo Delgado</td>
<td></td>
</tr>
<tr>
<td>Brunellus KFT</td>
<td>Operating in the experimental phase; Ethanol based on maize and sweet sorghum</td>
<td>Quelimane (Zambézia)</td>
<td></td>
</tr>
<tr>
<td>Madal (Technoserve)</td>
<td>Has 200 ha planted. Will deliver 20,000 tons of sugar cane to Mafambisse; Coconut, jatropha and oilseeds for biofuels (as well as other crops)</td>
<td>Dondo (Sofala)</td>
<td></td>
</tr>
<tr>
<td>Eng. Petiz</td>
<td>In production; Sugar for export and, from 2009 onward, production of ethanol</td>
<td>Sussundenga (Manica)</td>
<td></td>
</tr>
<tr>
<td>Girassol Manica</td>
<td>Initial testing at the existing plantation; Jatropha</td>
<td>Quelimane (Zambézia)</td>
<td></td>
</tr>
<tr>
<td>Geralco</td>
<td>Research and development of algae-based biofuel production; Biodiesel</td>
<td>Quelimane (Zambézia)</td>
<td></td>
</tr>
<tr>
<td>Algas</td>
<td>Feasibility study; Jatropha; exports contemplated</td>
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</tbody>
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(Continued)
Environmental and social protection – to provide mechanisms to enhance the environmental and social benefits of biofuels production and use, while avoiding or mitigating any negative impacts.

Incrementalism – the development of biofuels in the country should be gradual and flexible, permitting all shareholders to develop institutional capacity.

Fiscal sustainability – the development of the biofuel sector should pose a financial burden on the state that is as short-term as possible, and in the long term it should make a positive contribution in fiscal as well as macro-economic terms.

Innovation – agriculture and industrial innovation, attracting investment in commercial proven technologies that are new to the country.

It also referred to the duties of different stakeholders involved in the strategy, among which is the duty of the government to support rural communities in the development of their own projects, and to ‘guarantee clear and transparent communication with other interest parties [sic] in matters of general interest and stimulate public dialog and knowledge about relevant matters’ (Government of Mozambique 2009: par. 5.2[i]).

How to realise the official goals set by government is of course a different matter. Towards this end, and to date, the most comprehensive and most concrete policy study and recommendation about biofuels in Mozambique is the one prepared by the World Bank and the Embassy of Italy for the Ministry of Agriculture and the Ministry of Energy of Mozambique in 2008. It is a lengthy policy recommendation over 500 pages. For our purposes, we quote some relevant provisions where the Econergy consultants see the potential of biofuels for Mozambique:

For long-haul exports, sugarcane-based ethanol could be cheaper than Brazil’s, which can be taken as an international reference, and the price of which has recently decreased from earlier highs due to rapidly growing output (similarly to that of US ethanol), though Mozambique’s potential to secure competitive freight costs would depend on volumes. If ocean freight were to be discounted, however, sugarcane-based ethanol produced in Mozambique could be competitive against Brazil’s for regional exports in

Table 1. Continued.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description (development stage)</th>
<th>Feedstock and target market</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunbiofuel</td>
<td>Feasibility study</td>
<td>Jatropha</td>
<td>Manica</td>
</tr>
<tr>
<td>British Petroleum</td>
<td>Feasibility study</td>
<td>Sugar cane for ethanol</td>
<td>Chimoio (Manica)</td>
</tr>
<tr>
<td>Pete Nel</td>
<td>Small-scale demonstration facility</td>
<td></td>
<td>Inhambane</td>
</tr>
<tr>
<td>Somoil</td>
<td>Feasibility study to be funded by the African Development Bank</td>
<td>Exports contemplated</td>
<td></td>
</tr>
<tr>
<td>COFAMOSA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indústria Açucareira de Moçambique</td>
<td>Pre-feasibility studies</td>
<td>Sugar cane for ethanol</td>
<td>Maputo, Sofala</td>
</tr>
<tr>
<td>Principal Energy</td>
<td></td>
<td>Sugar cane and sweet sorghum for ethanol; exports contemplated</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mozambique, Commission for the Promotion of Industry; additional information is from Econergy International Corporation (2008).
Southern Africa. Mozambican ethanol, therefore, could be competitive in domestic markets (provided the fuel tax is waived, and oil prices remain above US$60 per barrel: prices lower by 20% would lead to parity with imported gasoline), as well as in regional and overseas markets. A national bioethanol programme, therefore, should encourage large-scale ethanol production for export, but it should be primarily based on expected volumes for the domestic and regional markets (Econergy International Corporation 2008, pp. 30–31).

A projected 450,000 ha biofuels programme in the country is expected to generate the following outcomes (Econergy International Corporation 2008, pp. 33–34):

- A decrease in imports of petroleum-based fuels, representing about a 5% decrease in the total cost of imported fuel as projected for 2008.
- A decrease of tax revenues (import duty, tax on fuel and value added tax (VAT)).
- An increase of corporate income tax levels, halving the loss in revenues attributable to decreased fuel imports.
- The creation of some 150,000 jobs.
- Longer-term improvements in the balance of trade resulting from exports of ethanol, vegetable oil and biodiesel.
- Increases in traffic at the country’s major ports, with associated port revenues, as well as increased business for transportation companies.

At the same time that policy frameworks and feasibility studies are being carried out at the national level, a number of corporate-led ventures have started to be set up across the country, promoting both ethanol and biodiesel. Table 1 offers a summary of the major initiatives under way in Mozambique by the end of 2008.

The Mozambican government has framed the biofuels initiative within the context of interrelated concerns: energy, environment, land, employment, livelihoods and food, among others. It is within this broad national context that we decided to undertake a closer examination of the initial phase in establishing the ProCana sugarcane ethanol project, the largest of its kind in Mozambique, with 30,000 ha of land allocated.

**The case of ProCana**

In an interview with two of the authors, Izak Holtzhausen, CAMEC’s country manager in Mozambique and manager of ProCana, explained the main features of the project as follows: ProCana started identifying suitable lands for sugar cane production in 2006, and successfully applied for land allocation of 30,000 ha under a long-term lease of 50 years, renewable. ProCana was heavily investing in drip irrigation and would use 108 billion gallons of water/year taken from the nearby Massingir Dam. At the time of our field visit ProCana had already cleared 830 ha of land and had already planted 25 ha with six varieties of sugar cane as a nursery. The idea was to plant up to 800 ha in the first phase and subsequently scale up to 5000 ha every year for the subsequent three years so that it would be in full operation by 2011. It promised to employ up to 7000 local people during its full operation. The ethanol plant was supposed to be ready at the end of 2010 so that the ethanol production at commercial scale could start in 2012. ProCana planned to produce 300,000 m$^3$ of ethanol a year and was convinced that it would be able to compete with Brazilian ethanol. According to their official plan, 80% of ProCana’s ethanol would be marketed across the border to Southern African Development Community (SADC) countries, but mainly to South Africa. The main line of product would be fuel for the transport sector, but would also provide the basis for
ethanol-based plastics for South African industry. The project was projected to help increase the income of local people by up to five times more than the national poverty line income. A critical examination of the ProCana case gave us a less rosy picture, and provides critical insights that are relevant to similar biofuel and land deal cases beyond Mozambique.

**Contested notion of marginal land**

One of the key assumptions that underpins the current advocacy for biofuels is the availability of under-utilised land in which to produce crops for biofuels (World Bank 2010). It is generally assumed that ‘land-abundant’ countries will become key hosts to global biofuels production. Many large countries in sub-Saharan Africa are assumed to be in this category. Mozambique is one country where such a claim has been made and advocacy advanced. The desired implication of this assumption is that production of crops for biofuels in land abundant countries will not undermine food production and supply for local communities, and will not have any negative consequences to existing livelihoods of the rural poor (Borras et al. 2010). In these claims, we see both implicit and explicit assumptions that with land abundance, production for biofuels can be located in marginal areas, without negative impact on the social and agroecological environment. It is in this context that the notion of ‘marginal’ lands has accompanied the advocacy for biofuels.

The term ‘marginal lands’ (or wastelands, unused, under-utilised or idle lands) is a catch-all phrase used to refer to lands that are not fully utilised in economic terms, i.e., not fully vibrant spaces for full-scale commercial activities, and usually assumed to be geographically remote and without any vital infrastructure. It is also commonly assumed that these marginal lands are lands without inhabitants; that these are ‘empty’ lands. It is along this line that the Mozambican president has declared the country’s official stand on the issue, as quoted above.

Mozambique is a land-abundant country. This is one official argument used by the Mozambican government in aggressively promoting biofuels because the latter will not purportedly undermine the food supply of the local communities and country. It is therefore important to conduct a critical examination of what kind of land ProCana received for its sugarcane plantation to produce ethanol.

This generalisation on the abundance of land masks the situation in Gaza province, which is one of the driest in Mozambique, and periodically subjected to droughts and floods. Part of Gaza province lies in the rain shadow of nearby Madagascar during trade winds in the rainy season (November to February), while another part receives some rain from winds derived from the South Atlantic, in the rain shadow of the Drakensberg mountains in neighbouring South Africa. For the most part, consequently, the province is semi-arid, with low rainfall. Because the province is also very low lying, it is also subject to the flooding of the major catchments, especially during a La Niña event. Recently, the most serious floods were those which occurred in 2000 and which devastated the provincial capital Xai Xai (Christie and Hanlon 2001).

Given the poor rainfall in the southern provinces of Mozambique, the Portuguese authorities agreed that the South African coal and gold mines could recruit workers south of the 22nd parallel. Soils were allowed to become degraded, except perhaps during the period of war (1982–1992) during which time many people had to flee the war-torn areas. With low rainfall and degraded soils, the main agricultural activities included cattle-raising and forestry. At times the extreme levels of poverty have meant a great deal of subsistence upon traditional and wild foods (Alexander et al. 1998, pp. 5–6).
The Massingir district, in which ProCana was granted land, benefits from higher rainfall than other parts of the Gaza province. The huge extension of the Massingir dam on the Rio dos Elefantes river was completed in 2006, adding to the attractiveness of the area for agriculture. However, problems of seepage, and the threat of collapse during floods have meant that the dam has had to be rehabilitated (African Development Bank 2009, p. iv). Nevertheless, in offering ProCana land in the area, officials of the Ministry of Agriculture are likely to have known about its strong agricultural potential relative to other parts of the province.

The ProCana land is not under large-scale commercial use, in the capitalist notion of full commercial and efficient land use. At least three key agricultural economic activities by the local communities are found in the said space, namely, livestock raising by cattle herders, charcoal production and subsistence farming. The land is traditionally utilised, in this sense, in a very extensive way. Hence, based on a capitalist definition, this land indeed is ‘marginal’, but not completely. There are three features of the ProCana land allocation that may not be the usual features of any generally accepted definition of marginal land. The ProCana land is: (1) very close, and some parts of it adjacent, to the newly opened, huge Massingir dam; (2) adjacent/close to the Rio dos Elefantes which is a key source of irrigation water; and (3) along a major provincial highway.

What we found out is that, contrary to the general claims that lands allocated for biofuels would not compete with local food production and would be located in marginal lands, the ProCana plantation was located on prime agricultural land with great potential for food production. And while the existing extensive farming would provide some evidence to the mainstream claim of ‘marginal lands’, it should also remind us that traditional livelihood strategies in many southern African countries include extensive crop and livestock farming. Perhaps for outsiders a large parcel of land dedicated to livestock raising may be considered marginal, but certainly this is not how the cattle herders would view such lands. Finally, as indicated, key infrastructures are available in this parcel of land. Intensive and highly productive family farming has great potential in this area. Locating the ProCana plantation in this particular site therefore puts the key assumption and official declarations of the government about the real intentions on biofuels in serious question. If biofuels are to be located in truly marginal lands, ProCana should not have been allocated land in what appears to be prime agricultural land in Mozambique.

ProCana’s 30,000 ha of land was allocated under a long-term lease of 50 years, which was renewable. ProCana would not be able to get a title deed for the land even after 50 years. However, ProCana could get title deeds for the infrastructure after 50 years. This would mean an effective control over land resources after 50 years because control over infrastructure cutting across an expanse of land would constitute control over land. And so, while on paper the ProCana land allocation would not violate the Constitutional provision on land ownership, it is possible that the institutional lease arrangement would eventually lead to de facto land ownership (i.e., ‘effective control’) by a foreign company.

**Land grabbing as water-grabbing**

The discourse around biofuels and water is closely linked to the discourse around biofuels and marginal lands. That the rush for lands to be used for biofuels production is, in many settings and on many occasions, essentially a competition for water resources, rarely enters the official discourse on biofuels and global land grabbing. Most of the feedstocks for biofuels, including jatropha that is thought to grow in semi-arid and waterless conditions, are, to varying extents, dependent on irrigation. The initial promise of ‘non-irrigated’ jatropha
was indeed one of the key attractions to this project, at least in the beginning. But for jatropha, this assumption is proving not to hold true. Jatropha plants may survive on dry lands, but are unlikely to be productive at a level that is commercially viable. Fertilisers and water are key for commercially viable jatropha farming. This has been seen in many recent experiences in Kenya, India, Philippines, Indonesia — and Mozambique (e.g., Ariza-Montobbio et al. 2010; Hunsberger 2010). If water is needed by a crop like jatropha, it is needed even more for crops such as sugarcane.

Taken within this context, it is not surprising what we have found out in the ProCana plantation. The allocated land, as mentioned above, is very close to the Massingir dam and adjacent to the Rio dos Elefantes. When we asked the general manager of ProCana about any major risk in their investment, he quickly and explicitly mentioned the possible conflict around the issue of what volume of water from the Massingir dam could be released to be used as irrigation for the ProCana plantation, as against the main allocation to produce electricity. In its full capacity, the dam has the potential to irrigate 90,000 ha of land, while the total arable land in Massingir district is more than 70,000 ha.² But the actual releasing of water for irrigation is a contested issue; generating electricity for export remains the main priority.

In situations where there would be drought (and it is likely), the government would first honour its commitment to generate electricity for export to South Africa and for the domestic industrial sector (that is also partly owned by transnational companies). Any remaining water from the dam was likely to be committed by the government to ProCana — as ProCana claimed that they had received the assurance from the national government that their irrigation needs would be protected at all times. Bioenergy Africa claims that

To ensure that cane production is not compromised by other potential users, ProCana has obtained a guarantee from the Mozambican government to enable it to use up to 750 million cubic metres a year with a water licence being granted once the final design for the extraction of the water has been submitted. (Agencia de Informação de Moçambique 2008)

ProCana would need 407 million m³ of water per year to irrigate its sugarcane plantation. But is there a sufficient supply of water from the Massingir dam and the Rio dos Elefantes?

In a simulation study based on existing and projected water usage in the area, van der Zaag et al. (2010, p. 837) conclude that there is

insufficient water all envisaged irrigation developments amounting to 73,000 ha. There is sufficient water for only 60% of that figure. It is evident that if ProCana would use all the water allocated to it . . . then the downstream water users will face water shortages . . .

The downstream users to be severely affected include subsistence farmers along the Rio dos Elefantes, small farmers in Chokwe, as well as livestock herders in the general area.

Hence, if this plan on water (re)allocation was carried out, there is no way that it would not have negative consequences for the farming activities, existing and future, by small-scale farming households in the area. It is very likely that such (re)allocation of water resources, especially in relatively dry places like southern Mozambique, would undermine the autonomy and capacity of local communities to produce their own food for their consumption. However, a state guarantee of a constant water supply to the sugar cane plantation is probably unsustainable in the light of the variability of rainfall in the area and the insecurity of water flow into the dam.
Disruption in livelihoods

One of the selling points of biofuels in the global South is that it will spur and promote livelihoods and employment among the rural poor in host communities. This is said to be so by promoting schemes such as contract farming and generation of employment. And so, in remote rural communities where there are no significant commercial economic activities, this will be a welcome development. It is precisely in this context that the Mozambican promotion of biofuels has been framed.

In an interview with the general manager of ProCana, in the first phase of the venture (by August 2009) which involved clearing, nursery set-up, building houses, and so on, more than 150 local people were already employed. ProCana had committed itself to recruiting only local people, now and in the future. However, according to the manager, the actual number of people to be employed could not be determined before the actual full operation. The number would depend on what kinds of regulatory laws the national government would pass related to environmental, labour and social safety regulations. For example, if the government were to ban burning of cane and impose strict labour standards, then ProCana felt it could opt for a mechanised plantation set-up. But if the national government were not to impose a ban on cane burning and were flexible about labour standards, then ProCana could opt for a non-mechanised plantation set-up. The latter would potentially be more labour intensive, estimated by ProCana at 5000–6000 workers, while the former would accommodate fewer at around 3000–4000 workers. But the Massingir District Agriculture Head, Engr. Mauricio Huo, was optimistically counting on a ProCana promise to employ 7000 workers when it was due to be in full operation, by 2011 (a high estimate based on a labour-intensive cane-burning technique). This employment issue would only be resolved in the medium-term, and not in the immediate future.

This situation clearly reveals that the main starting point of ProCana, just like any capitalist venture, is profit – not people and the environment: anything can be adjusted as long as profit is secured. The claim about setting up ventures so that people will have employment struck us as plain rhetoric. This particular case of ProCana seems to us to fit one important trend in dispossession–accumulation processes, i.e. when, in Tania Li’s formulation, corporations need rural poor people’s land but not their labour – and the dispossessed cannot be absorbed in any economically productive sectors of the economy (Li 2011). Of course some labour will be hired, but whether the plantation enclave will be able to absorb as much labour as it dispossessed/displaced is another issue; and based on the industrial-monocrop model of farming, it is likely that the venture will absorb less labour than what is being claimed officially.

In addition, we interviewed an older man who lives inside the land which had been allocated to ProCana and is among those being asked to leave the community where he was born, and where his ancestors had lived. We asked him about the potential benefit of having employment in the plantation. He gave us two interrelated responses: (1) he thought that only the younger, mostly skilled, men would be hired in the plantation, and (2) that he has been happy and satisfied with his subsistence farming and charcoal production in his community, his and his parents’ livelihoods. But Massingir District Agriculture Head Engineer Huo thought it important that the local communities stop their charcoal-based livelihoods and become employed in the sugarcane plantation; this will stop the chopping down of forests for charcoal-making (although of course setting up sugar cane plantation requires chopping down the entire forest in the 30,000 ha area). Meanwhile, there are also deep concerns about the reorganisation and rerouting of the areas for livestock grazing. Large parts of the ProCana land allocation are, historically,
areas and routes for livestock grazing by cattle herders. Due to the ProCana project, the pastoralists and their grazing areas and routes were being relocated, while some of their traditional practices about livestock raising were changed to becoming ‘semi-sedentary’.

Finally, in addition to the 30,000 ha that ProCana will directly operate under an industrial monocrop set-up, the company and the district government also encouraged farmers that would be relocated to adjacent and nearby places to produce sugarcane and food crops for ProCana’s needs through outgrowing schemes. ProCana was helping and subsidising small-scale farmers around its plantation to grow 20% food crops and 80% sugarcane on their own lands. Any ProCana reliance on outgrowers would place these small farmers under the company’s regime without providing them with secure income, legal protection, or infrastructural support, while being able to utilise their land, as demonstrated in many contract growing schemes worldwide historically (Little and Watts 1994).

ProCana’s estimate was that under their proposed scheme, a small-scale farmer could have an income of US$12,000 per year, which is five times greater than the Mozambican average income. There are 20,000 and 70,000 ha (re)allocated lands around the ProCana plantation, and these lands were being planned to serve the ProCana business interest. Hence, in essence, had ProCana’s scheme been successful, it might have provided the company with effective control of up to 100,000 ha of land, three times more than its official land allocation. This would have been more land than ProCana could have irrigated, and relied to a great extent on the outgrower farmers taking the risks of relying on rain-fed sugar cultivation.

Competing notions of land

The corporate biofuels initiative considers land as the new oil wells where fuel can be pumped out regularly. In this perspective, land is a scarce economic resource. The most efficient (re)allocation and use of land becomes a critical consideration. It is from this fundamental assumption that the value of land, and of biofuels produced from the land, is calculated. In this context, land as a place where people live seems to be not given an important consideration. When and where this happens, dislocation, and even dispossession, of people become a usual outcome of land-based development intervention, such as in many extractive industries like mining, and indeed, biofuels. In this context, land is considered simply as one of the economic factors of production.

The ProCana case is a good example of the competing views between the view considering land simply as one of the economic factors of production on the one hand, and the view that looks at land from a more multidimensional perspective starting with land as a place to live.

According to the information provided by ProCana, five local communities were consulted: Zulu, Chitar, Banga, Mahiza and Mocatini. Unfortunately, the authors were unable to find out the exact number of people currently living on the lands allotted to the ProCana project and who would be affected by relocation. If we take the number of families in one village (61) as average, at least 360 families would be affected. The actual figure should be indeed much higher given the fact that this seems to be one of the smallest villages in the area.

Meanwhile, those who have always lived inside the ProCana land allocation were being, and would be, relocated. ProCana intended to set up an industrial, monocrop sugarcane plantation. There was no room for communities to stay inside the 30,000 ha contiguous area. Thus, these communities would be resettled outside the ProCana land allocation. In an interview with one older man inside the community, he said:
I was born here. I make my living farming here and from the forest products. My parents were born here. They died here. In fact we have cemeteries here. Now they want us to leave. Our cemeteries will be destroyed. I don’t want to abandon my parents. We will not leave.

Other testimony indicated that those settled on the river stood a strong chance of being displaced in order to service the guarantee that ProCana’s estate would be contiguous and would have access to irrigation.

**Competing claims and conflict over land (re)allocation**

To complicate things even further, ProCana land, at least partially, encroached on land that was allocated for the resettlement of inhabitants of the Limpopo National Park to the north of Massingir dam. This park, constituted from former hunting reserves, borders on South Africa’s Kruger National Park and Zimbabwe’s Gona-rhe-Zhou National Park. Together, the three adjacent national parks were established as part of a trans-frontier conservation area. It was envisaged that the fences between the parks would be dropped, enabling the excess elephant population of the Kruger to find an extended range, mostly in Mozambique.

South Africa’s conservation policy, since the early twentieth century, has been to exclude human settlement from occurring inside its national parks, resulting in a number of cases of forced removal. In the case of Mozambique, the proclamation of the Limpopo National Park included a resident population within park boundaries. While the land had mostly been abandoned during the harsh conditions of the civil war, many former residents and war refugees later resumed their livelihoods on the land once peace had been established. With the transnational pressures to create the Limpopo National Park, few local inhabitants were consulted about their futures. However, as the plans for the national park progressed, more communities were encroached upon by wild animals, and their crops and children were in danger of being trampled by the growing elephant population.

Instead of resolving such problems, and attempting to incorporate local people into helping with park management, the Mozambican park authorities were persuaded by their South African counterparts to run the parks exclusively for animal habitation and push for the relocation of the resident human communities. Funding for this was made available for this from a German government agency, the KfW Bankengruppe (formerly the Kreditanstalt für Wiederaufbau). After complex negotiations, a number of communities were relocated to lands along the Rio dos Elefantes, to the south of the protected area. It has to be noted that while Mozambique claims to have one of the most progressive land laws in the region that protects the rights of the rural poor (Land Law of 1997; Tanner 2002) which is clearly one of the legacies of the Mozambican revolution and is part of a protracted debates and policymaking initiatives around land issues (O’Laughlin 1995). Lunstrum (2010, p. 349) explains that ‘although the land law protects land use rights outside the park via land-use certificates and titles, it simultaneously exempts the space of the park from having to grant or acknowledge these rights’.

Some informants claimed that the Ministry of Tourism, the authority in charge of the park, had negotiated with the more robust Ministry of Agriculture to provide land for this resettlement. The Ministry of Agriculture had promised the Ministry of Tourism that it would secure lands in Massingir district. Nevertheless, the allocation was proposed for the site but apparently not formally demarcated, although communities were given the general understanding that the land would be for their use, and communities were
transferred to the area. Later ProCana applied for a land-lease for this area, and this was granted, seemingly outbidding the Ministry of Tourism.

The affected communities did not just suffer the relocation from their initial land in the park, but were faced with encroachment on the resettled land by ProCana. Since ProCana had enjoyed special treatment from government, including guaranteed water allocation, the displaced communities found it extremely difficult to challenge the extent of ProCana’s encroachment onto what communities thought of as land under their own control. In negotiations, ProCana tried to urge resettled inhabitants to abandon their riverine plots (on which ProCana wanted to establish sugar cane) and be relocated again to lands further afield. Since ProCana appeared to enjoy powerful official support, it was problematic for the affected peasants to protest. There was also little intervention on the part of the German agency that had funded the removals.

Limited support for the displaced communities came from the churches including the Christian Council of Mozambique. Reverend Dinis Matsolo, its general secretary, showed an active interest in the plight of the displaced communities. He explained to the authors that nine communities (Mavoza, Massingir Velho, Bingo, Makavene, Chibatana, Matinga, Machaule, Machamba, Ximange) still lived inside the park and that only one had already been resettled. The Lutheran and the Catholic Churches had been supporting these communities since 1994.

The authors had the opportunity to enter into the Limpopo National Park and interviewed members of the Mavoza community, one of the nine communities which would have to be resettled. There are 345 families (2626 persons) who live in Mavoza. Community leaders told the authors that the park authorities proposed to them that they be resettled on the lands which are now controlled by ProCana, but they were not happy with this proposal since they regarded the lands they live on in the park as better. The communities started identifying other lands but the park authorities have not been sufficiently supportive. At the time of the interview, the community leaders preferred to stay in the park and intended to request the government to change the boundaries of the park.

Transparency and accountability

The great promise of corporate-driven biofuels has partly led to the current global scramble for land, especially in the global South. There were widespread reports of the rural poor being relocated or dispossessed in the process. Many powerful international development institutions, including the World Bank, have therefore argued for greater transparency and accountability in the land acquisition processes. In what they call a ‘win–win’ formula in the current global land rush, advocates of this position are calling for a ‘code of conduct’, transparency and accountability being key to this. Some are more specific: they call for ‘free, prior, and informed consent’ of the affected communities, while others are particularly advocating for community-based negotiation processes. In whatever scenario, they call for clearer laws, rules and regulations about consultation of and participation by the local communities to ensure that the main interests of the affected local communities are protected and promoted (Deininger 2011; see De Schutter 2011, Li 2011, Borras and Franco 2010 for an initial critique).

Mozambique is one of the few countries in the world with a very clearly progressive national land law that is supposed to protect and promote the interest of the rural poor. The features of the 1997 law include: land being publicly owned, every household who needs land has its own allocation, and no land shall be taken from any household or community without prior consultation with and consent by the affected communities (Article
12). Considering this progressive law as well as the character of Mozambique as a land abundant country, it may not be difficult to believe that indeed the interest of the rural poor will not be undermined by any corporate-driven biofuels project. Yet, our initial findings lead us to a different preliminary conclusion.

There was indeed some kind of community consultation about the ProCana project, although it seems that only the local elites and elders were actually consulted, some of whom have personally endorsed the mega-project in their communities. However, instead of putting into the agenda the fundamental issue of whether or not the local communities accept the ethanol project and if so, under what terms, it seems to us that the consultation processes were generally limited to the question of the terms of relocation – the who, what, where, how and when – from the ProCana allocated lands to somewhere outside. Earlier documentation initiatives about this process, as well as our own meetings with the affected communities and discussions with some affected individuals, both those who have traditionally lived inside the ProCana land allocation and those who were expelled from the Limpopo National Park, have suggested the same findings. This has put the entire consultation process in serious question, and the issue of accountability in a cloud of doubt (also Vermeulen and Cotula 2010).

But what the ProCana experience also tells us is that ensuring transparency and accountability in a political economic setting marked by imbalances in power relations (between state and community, state bureaucrats and ordinary people, local elites and poor people, powerful companies and poor people, and so on) will not automatically result in outcomes that favour the poor. And so, we should distinguish between an administrative and technical view of consultation with poor people on the one hand and a political perspective on the same process. The former is apolitical, the latter takes on power relations seriously. What happened in ProCana seems to be the former, and so without much meaningful impact on the rural poor.

**Competing notions of development**

The original discourse on biofuels in the North, especially in the European Union, was centred on the claim about reducing greenhouse gas emissions especially by the transport sector that is responsible for about a third of total greenhouse gas emissions in the world. This was soon discredited. Not completely abandoning its greenhouse gas savings claim, the European Union has brought in two more reasons for promoting biofuels: energy security for the European Union and rural development for both the European Union and the producing countries in the global South (Franco et al. 2010). Meanwhile, national governments in the global South have not remained passive actors in the biofuels initiative. Many of these national governments have autonomously pursued mega-dreams and mega-project plans for biofuels, impelled by their desire to save and even generate foreign exchange earnings, as well as provide employment in their countryside.

The Mozambican national government has been very clear in its intentions for biofuels. It wants biofuels to be produced both for international and domestic energy markets. The material basis for the latter seems to be compelling: while Mozambique is a land abundant country, roughly two-thirds of the country does not have electricity, and only 7% of the countryside has electricity. Forests are being cleared to produce charcoal, the country’s main household fuel, for cooking. Most rural children are unable to study at night. The country also needs to save, if not generate, foreign exchange.

However, while it might generate some foreign exchange, the ProCana sugarcane ethanol project does not respond to resolving the question of rural energy poverty in
Mozambique, a goal that underpins the official policy of the national government. In an interview with the general manager of ProCana, we were informed that the corporate plan is to produce ethanol and market 80% of this across the border to SADC countries, mainly to South Africa. The manager also informed us that their planned main line of product is not biofuel for the transport sector, but ethanol-based plastics for South Africa.

What then are the implications of this actual corporate plan for the official claims and aspirations of the Mozambican national government? There are several, and all these lead us to re-examine critically the fundamental question of ‘what development and for whom?’ It is clear that the ProCana project does not respond to the national government official claims of pursuing biofuels project for domestic energy needs. The 20% ethanol that is supposed to be destined for the domestic market is unlikely to be used for electrification, as it may be more economically viable to sell it to the transport sector. If this is so, it means catering to the needs of a small urban-based middle class and other elite who have cars – and certainly not the 93% of the rural poor who are literally ‘power-less’. But this is not a surprise at all. It fits quite squarely with the general trend of the Mozambican energy policy. The country produces an enormous amount of energy from coal, natural gas and hydro power – but exports almost all of this, leaving the country in its current state. As Diamantino Nhampossa of the União Nacional de Camponeses (UNAC), Mozambique, in an interview with the authors, said:

> It is not a question of whether Mozambique has the capacity to produce energy, because we produce so much that it is likely that we can be nationally self-sufficient if we use all the coal and hydro power domestically. It is a question of the fundamental orientation in generating power: to generate profit for transnational companies or to generate fuel for the Mozambican people’s needs?8

The dubious nature of the investment

CAMEC, the company investing in the ProCana project, had as its principal investor a rich Zimbabwean entrepreneur named Muller Conrad (‘Billy’) Rautenbach, who held diversified interests in numerous African countries, as well as Europe and Asia. Reputedly close to President Robert Mugabe, he was blacklisted in the European Union and United States in 2008 and 2009, respectively, for supplying funds to ruling party ZANU-PF to keep the incumbent president in power. CAMEC had paid US$100 million for platinum concessions in Zimbabwe which had been confiscated from Anglo Platinum by the government in 2008. Opposition leaders claimed that this money had helped fund the election violence in the same year (Thorneycroft 2009a). As a result of being on the sanctions list, Rautenbach cannot physically enter the European Union and the United States or trade with their nationals. Effectively this means that the assets of CAMEC were frozen by the European Union.

Rautenbach was not only a beneficiary of his political connections in Zimbabwe, but also in the Democratic Republic of Congo (DRC). During the civil war in the DRC, Mugabe had sided with Kabila, and for his military support, received a stake in the government’s decrepit and bankrupt mining company Gecamines. Rautenbach was made head of the company, and boosted cobalt production in the mineral rich province of Katanga. However, a series of clashes with Kabila led to his expulsion from the DRC. After Kabila’s death he was allowed to return, and engineered the sale of Gecamines’ cobalt assets to his own CAMEC (Thorneycroft 2009b).
Mugabe’s government also allowed Rautenbach to become the recipient of a 300,000 ha cattle farm in the Nuanetsi area of Zimbabwe, left in trust to the nation by former leader Joshua Nkomo for the development of small-scale agriculture. Rautenbach had demanded the eviction of the small farmers resident on the ranch. ‘You cannot do anything to me. I am a powerful man’, said Rautenbach to local farmer Terry Mkowa, facing eviction, an interview with whom was aired in a broadcast on the UK television broadcaster Channel 4 (Hartley 2009). The Zimbabwean press reported that 100,000 ha of the Nuanetsi ranch would be devoted to production of sugarcane for ethanol, aimed at reducing Zimbabwe’s fuel bill. However, water experts claimed that there was insufficient water in the area to sustain so much sugarcane (Sunday Mail 2009).

For a decade, Rautenbach was wanted on criminal charges in South Africa. Having formed a company in Botswana to manufacture Hyundai vehicles, the company subsequently was liquidated, and he was charged for defrauding South African customs and tax services, and accused of stealing 1300 vehicles from Hyundai. Forced to leave South Africa as a wanted man in 1999, he returned in 2009 to pay a plea bargain fine of US$50 million for his crimes to be overlooked.

In September 2009, CAMEC sold 95.4% of its shares to the Eurasian Natural Resources Company, a privatised formerly public resources firm in Kazakhstan accounting for 5% of that country’s gross domestic product. The rump of the company was said to be restructuring and is no longer trading under the CAMEC brand. The likelihood of it being able to trade had come under question. In the context of European Union and United States sanctions, and global recession, it had become difficult to raise the funds that it needed to operate ProCana, and in the end, squandered the support that it had initially received from the Mozambican state.

The numerous WikiLeaks revelations of kickbacks and directorships provided to President Armando Guebuza by direct foreign investors in Mozambique indicates the broad levels of corruption in the upper reaches of the state, which may account for the special treatment provided to CAMEC in the early years of the ProCana project (Afrique Avenir 2010).

Conclusions

An older man in one of the villages inside the ProCana allocated land underscored some issues that are at the heart of this contested development process. Among others, he emphasised to us the following:

There are 61 families in this village. We were born in this village, and so were our parents who were buried in our community cemetery. We produce food crops and we have cattle. . . . Yes, we were consulted by ProCana and the local government about the relocation site and the new grazing area. But we were not convinced. We did not agree. As far as I know other villages also did not agree. We are trying to gather other villages to come together and discuss the matter. We are worried that we will be forcibly evicted from our land despite our opposition. The local government and ProCana people told us there is no irrigation in our land, and that we will be relocated to a place where there are irrigation facilities. Why not put those irrigation facilities here, in our land, if they really wanted to help us? We can even grow sugarcane for ProCana, but we have to stay in our land. . . . We have what we need. This land is ours. We will not leave.

Key drivers of biofuels from the transnational corporate world (oil, car, biotechnology, agro-industrial sectors, among others), international development agencies and national
governments have claimed a ‘three-win’ scenario out of the biofuels initiative: helping to address pressing environmental problems via greenhouse gas savings, attaining energy security in order to maintain the current pattern of economic production and consumption in the North, while instigating economic growth and development in the global South. The principal targets to host biofuel production are land abundant countries, such as Mozambique.

The emerging literature on this theme suggests that these assumptions and projects are too optimistic and are fundamentally flawed. First, evidence suggests that greenhouse gas savings are not going to be achieved, and, in fact, greenhouse gas emissions are going to increase, with corporate clearing of forests to pave the way for industrial and monocrop biofuel plantations. In some biofuel feedstocks the energy balance is such that their cultivation may also be increasing greenhouse gas emissions. Second, the fundamental starting point of the mainstream key drivers of biofuels is how to maintain the current patterns of economic production and consumption in the world, especially in the North. This includes the ever increasing use of cars. This is a problem, since simply looking for ways to fuel the current pattern of economic production and consumption without critically re-examining the very nature and character of the same economic production and consumption will not lead to any resolution of the environmental and energy problem. Finally, while in aggregate terms economic investments and development may register in some locations in developing countries, it is unlikely that it will contribute in any significant way to solving the problems of poverty, inequality and socio-political exclusion of the rural poor. Many of these land investments are in the form of large-scale industrial monocrop plantations that require more land and water and less labour. Hence, under certain conditions, promoting biofuels in places marked by poverty, inequality and socio-political exclusion might contribute to increasing the same social, economic and political problems.

The ProCana ethanol project in Mozambique displayed the actual and potential problems raised above. First, clearing the second-growth forest in the ProCana land allocation, and replacing it with industrial-monocrop sugarcane plantation (with the probable later use of labour-intensive, cane-burning techniques) will not lead to greenhouse gas savings, but to greater net greenhouse gas emissions. Second, the planned ethanol production geared for export feeds into and strengthens the dominant model of economic production and consumption. Finally, between the massive dislocation, or even dispossession, of thousands of people in and around the ProCana land allocation and the employment promised to some, the net impact on the lives and livelihoods of the local population, on balance, is likely to be negative for the local communities. A broader view on this question will include the cost of lost opportunity for the local villagers. For example, the government would redirect a major portion of its farm irrigation water allocation from the Massingir dam from its commitment to small-scale farmers and cattle herders to ProCana – in effect financially subsidising ProCana sugarcane production. This begs the question: what if the government uses the same enormous farm irrigation water to service farmers and pastoralists directly in and around the area? The latter is likely to have a greater multiplier effect in terms of socio-economic livelihood impact than redirecting the dam water to a corporate industrial monocrop sugarcane plantation that will produce ethanol for export. The current water use (re)allocation in effect would render the full use of the Massingir dam as geared for outside Mozambique, while 93% of the rural poor Mozambicans remain ‘power-less’ and majority of farmers and pastoralists have no access to irrigation water.11

Relocated, and faced with further threats of dispossession and their livelihoods disrupted, many of the rural Mozambicans affected by the ProCana sugarcane ethanol
project risked the loss of their autonomy and capacity to produce their own crops for subsistence and for the market. These had come under severe pressure historically – especially in the context of colonial agricultural production system, the recent war, the earlier attempts at large-scale state farmlands – and were even further undermined by the ProCana plans. Investment in agriculture in Mozambique is, without doubt, urgent and necessary largely because as Cramer and Pontara (1998, p. 110) explain: ‘poverty in rural Mozambique is associated with market-isolation and the lack of off-farm income sources’ (also Wuyts 2001). But the ProCana case is exactly what Li has warned us about: a large-scale land-expropriating and labour-expelling investment. Thus, from a longer view we ask: then, what kind of development is this, and for whom? UNAC’s Diamantino Nhampossa was categorical about their position: ‘No to agrofuels for export. Yes to agrofuels for domestic consumption as long as its production does not undermine food sovereignty.’ But in the end, ordinary people are not interested whether their products are used as food, or feeds, or fuel, as long as their fundamental interests as people and farmers are protected – as clearly stated by the man we interviewed inside the ProCana land allocation quoted at the beginning of this concluding section.

In October 2009, the main investor in ProCana, the London-based CAMEC, announced that it would not continue to invest in biofuel projects, as it planned to focus on its main investment portfolio, which is mining. This announcement was followed two months later by the statement issued by the Mozambican government that it was stopping and closing the operation of ProCana, and is now seeking new investors that can develop the same 30,000 ha of land. But regardless of how the biofuel project (ProCana-led or not) unfolds in the future, the socio-political processes that have already unfolded to date have provided us with key insights about the politics of biofuels, land and the rural poor. These will be relevant insights for the rural poor in the Massingir district of the Gaza province in Mozambique, in Mozambique in general – and elsewhere with similar socio-political and economic agrarian conditions.

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Notes
1. Interview at Massingir, Gaza province, 26 August 2009.
3. Interview with ProCana General Manager, Massingir, 26 August 2009.
5. Interview, Massingir, 25 August 2009. The contradiction in this is that the government is raising the issue of deforestation caused by charcoal-making, but would allow the complete clearing of 30,000 ha of forested lands for a sugarcane monocrop plantation.
6. Interview with ProCana General Manager, Massingir, 26 August 2009.
8. Interview, Maputo, 24 August 2009.
10. The person requested not to be identified, along with the name of his village. Interview, Massingir District, inside the ProCana land allocation, 26 August 2009.
11. For a broader critique of the current Mozambican policy on renewable energy, see Hankins (2009).

References


Strategic privatisation: rehabilitating the Mozambican sugar industry
Lars Buur, with Carlota Mondlane and Obede Baloi

Introduction

This article’s primary focus is on key aspects of how the Mozambican sugar industry was rehabilitated after 1996 with and through foreign direct investments (FDIs). We argue that the rehabilitation of the sugar industry in Mozambique cannot be understood without including the active role played by the state and government. It focuses on key aspects of why and how the Mozambican sugar industry was rehabilitated after 1996 with and through foreign direct investments. It challenges the externalist literature on Mozambique that has commonly argued that all policy decisions are enforced by the pressure of well-meaning donors and/or ignorant international financial institutions preparing the ground for large international corporations through neoliberal policies, privatisation and structural adjustment programmes. There can be no doubt that donors in general, international financial institutions, and international capital have had and continue to have considerable influence over economic and industrial policy in Mozambique, but externalist accounts of various persuasions have limitations and tend to present accounts of the Mozambican state and government solely as victims instead of active players.

Keywords: elites; productive sectors; sugar industry; bureaucracy; politics

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riches of the country: land, labour and minerals/energy. There can be no doubt that donors in general, IFIs and international capital have had and continue to have considerable direct and/or indirect influence over economic and industrial policy in Mozambique in particular, and in Africa in general (Whitfield 2009). But externalist accounts of various persuasions have limitations, as we will illustrate here, and tend to present accounts of the Mozambican state and government solely as victims rather than active players.

The general literature on business and state relations has highlighted relationships between state and private sector (Maxfield and Schneider 1997; Taylor 2007) and the same perspective has forcefully suggested that for Mozambique privatisation was characterised by a ‘transformative preservation’ that not only ‘altered the roles of state institutions’ but also ‘produced new alliances’ as well as conflicts in society (Pitcher 2002, p. 6), outcomes that have consolidated the power of the ruling party Frelimo over society, the economy and the state. This article will draw on the approach and findings of the state–business literature as it challenges externalist positions.

Mozambique has, for good or bad, been ‘a donor darling’ and has had a sustained mean annual gross domestic product growth rate of around 8.6% (World Bank 2005; de Renzio and Hanlon 2009), leading to a doubling of gross domestic product per capita from 1994 to 2004 (Virtanen and Ehrenpreis 2007). The overall growth figures for Mozambique have been partly triggered by cashing in on the war-to-peace dividend (expected once-off economic rebound), and partly by very high and continued levels of foreign donor support, which today account for over 50% of the state budget (Clément 2008; Buur and Baloi 2009). While impressive, this growth level comes off a very low base. In reality, recent growth has returned to only pre-independence growth levels (Sousa and Sulemane 2007) and the most important growth trigger has been relatively high levels of FDI, attracted primarily to mega-projects in the energy, mineral and gas sectors (Bartholomew 2008, p. 12; Clément and Peiris 2008). Mega-projects account for most of the overall growth and specific gains in industrial manufacturing and export, especially those secured through the US$2 billion aluminium smelter, Mozal, on the outskirts of Maputo, which brings together British, Japanese and South African investors (BHP Billiton, Mitsubishi Corporation and the Industrial Development Corporation) as well as some Mozambican capital interests.

The Mozal smelter today accounts for roughly one-third of all industrial production in Mozambique, but it has been growth with little sustained formal employment creation. For example, the Mozal smelter employs just around 1200 workers and many of those, it is said, are floor sweepers kept in order to boost the employment figures. Furthermore, as argued by several studies, mega-project investments generally do not bring in tax revenues due to a 10-year tax exemption rule, although this has recently been cut to five years as ‘strong incentives are not necessary any longer’ and there are strong indications that agreements will be renegotiated over the coming years. Nor do they create broad-based poverty reduction (see the critiques of investment patterns by Beaumont 2004; Bucuane and Mulder 2007; and Tvedten et al. 2006, 2009). But, in general, the FDI-driven mega-investments story in Mozambique suggests that it has formally ‘transformed’ the Mozambican economy, whose structure during the 1990s was dominated by agriculture and service provision, so that the agricultural share of gross national product declined from 40% in 1995 to 25% in 2008, whereas the industrial share – mainly catered for by the Mozal smelter and similar investments in energy and gas – rose from 15% in 1995 to around 33% of gross national product in 2008. But, as agriculture accounts for the livelihood of up to 70% of the population, the relatively meagre overall annual agricultural growth rate at the average of 6% has not been caused by an increase in productivity.
Worryingly, there has been no increase in agricultural productivity since 1963 (Uaiene 2010). We will use the case of the rehabilitation of the sugar industry in Mozambique to illustrate how the state was not just a hopeless victim to FDI capital, but active for well over a decade in the formation of a qualified investment success story. A superficial glance over how the industry has evolved over the last decades would suggest that Mozambique has been a hapless victim of mega-project investments by international capital: major international sugar conglomerates invested in only four estates and industrial plants available; the industry is enforcing an enclave economy with few benefits for the Mozambican state and population; and, not least, industry has forced the Mozambican state and government to create and enforce internal market protection measures that ensure that already poor consumers pay for the rehabilitation of the industry.

The present form of support to the sugar sector took off in the mid 1990s when a policy and strategy for rehabilitation – Política e estratégias para o desenvolvimento do sector açucareiro – was approved. However, in contrast to other sectors, state and government support has been pretty steady and has continued well into the new millennium, and the socio-economic effects and consequences of the sugar rehabilitation have been very different from the trajectory of other mega-investments: jobs have been created on a large scale, expansion into the small- and medium-based landholding base is taking place with irrigation and inputs raising productivity, social service delivery has been expanding, and training and skill development has been taking place with the industry being a net provider of mechanics, welders, fitters, electricians etc. But many problems exist, and as with productive investment cases they are messy and difficult to generalise from (Khan 2003). The next section considers the decline and recent results achieved by the sugar industry in Mozambique and functions as a background for the article. At the core of analysing key aspects of how the Mozambican sugar industry was rehabilitated after 1996 with and through FDIs is the underlying question of why state and government officials have supported the rehabilitation efforts. The third section summarises the main state, government and industry attributes of support related to why the Mozambican sugar industry was rehabilitated. The fourth section highlights three key aspects of how the sugar industry was rehabilitated. Combined, this aims to demonstrate the active role of the state and government in the relatively successful sugar rehabilitation process so far.

The decline and new momentum of the sugar industry
Sugar cane has been produced in Mozambique since the end of the nineteenth century. The Sena Sugar Estates Ltd, comprising two facilities, Luabo and Marromeo, became particularly important, and in many ways the company was the crown jewel of the sugar industry until about 1975, operating among other projects a rail spur connecting the sugar refineries to Beira’s port. Until the 1950s, expansion of the sugar sector was based on British investments, after which Portuguese capital interests became prominent. Cane and sugar production expanded massively at the end of the 1950s and during the 1960s. In 1954, the Xinavane plant on the Incomati River was further enlarged as land concessions were increased (Gode 1997, pp. 16–17). Two new factories followed, first in 1969 with the Maragra plant in southern Mozambique, downriver from the older Xinavane estate on the Incomati River (Cardoso 1993), and in 1970 the Mafambisse plant in the Beira corridor in central Mozambique along the Pungue River.

With these industrial plants, the total sugarcane production capacity was brought up to 360,000 tonnes, with a production record reached in 1972 of 325,051 tonnes, which was
close to maximum production, with 60% for export. The expansion of the sugar sector – culminating in 1972 – saw it become the third biggest export sector and the biggest formal labour employer, with the Sena Sugar Estates Ltd in the mid 1960s – the largest private firm in Mozambique – employing more than 10,000 people. The independence war in northern and central Mozambique, and from 1974 the emergence of the Frelimo-dominated transitional government, left investors feeling insecure, and were a direct cause of the ‘disinvestment strategies’ adopted in the transition to independence (Castel-Branco 2002, p. 83). Furthermore, up to and after independence in 1975, the flight of skilled labour of all types (government employees, state administrators, technicians, engineers, managers etc.) and capital added to the decline, just as global market prices made the sector less profitable. After independence the industry was considered a ‘strategic industry’ and became partly nationalised and partly ‘state intervened’ as the effects of disinvestment, lack of finance, human capital constraints and so forth took their toll on the industry. From 1972, the peak year with 325,051 tonnes of sugar, production declined to just over 200,000 tonnes in 1975 and thereafter fell slowly to about 175,000 tonnes in 1980. A steep decline after this saw production fall to well below 50,000 tonnes from 1982/83 onwards, after which it was almost wiped out (Instituto Nacional do Açúcar (INA) 2001, p. 4; Cardoso 1993). In 1992, at its lowest, the production was only 13,224 tonnes. The result was a steep increase in imports of sugar, making different regions of Mozambique dependent on official and contraband imports (from Swaziland, South Africa, Zimbabwe, Malawi, Zambia and Tanzania). For the labour force the decline in the sugar sector was a tragedy. At the beginning of the 1970s around 45,000 workers were formally employed (one-third of the standing labour force employed in South African mines at the same time; First 1983). As the civil war intensified after 1980, it affected the six sugar-producing entities so badly that by 1982 four were closed and two were operating at very low capacity. By 1999, only 17,000 workers were still formally employed by the six estates, but most of the workers were redundant and employed only on paper as production was so low.

Since the mid 1990s, the Mozambican sugar sector has been undergoing a steady process of rehabilitation, involving both partial privatisation and large-scale FDI, in both cane production and sugar processing and refining capacities. This has seen four out of six sugar estates with sugar producing factories becoming productive between 1998 and 2002. The areas under cultivation rose from 7266 ha in 1998 to just under 31,000 ha by 2008 and 35,000 ha in 2009, with a scheduled increase to 50,000 ha after 2011 (CEPAGRI 2009, p. 12; LMC 2006). From coming close to a total standstill with only around 16,000 tonnes produced in 1986 and around 13,224 tonnes during the 1991/92 campaign (INA 2001, p. 4), the sector had increased production to just over 200,000 tonnes of sugar, with close to half of this being exported by 2004 (INA 2004, pp. 4, 18). While by 2008 the productive gains were modest, peaking in 2005 at just 265,000 tonnes, this was caused by drought, poor rain distribution, delays at the start of the season and work stoppages caused by installing two new machines in a new expansion process with a concerted drive toward doubling production by 2010 to just around 500,000 tonnes (CEPAGRI 2009). By 2003 export had exceeded local consumption, with total export figures reaching 134,796 tonnes in 2008, even though the industry-owned Distribuidora Nacional de Açúcar (DNA) had managed to double national consumption.

It is estimated that around 32,000 direct jobs (combining permanent and temporary jobs) have been created at the four rehabilitated sugar estates (CEPAGRI 2009, p. 15; CEPAGRI 2010) besides jobs created in outsourced service functions in land preparation, planting, maintenance and transport, as well as jobs created by independent producers and
down- and upstream jobs created along the value chain, making the industry once again the biggest non-state employer in Mozambique. Importantly, this is jobs created in the rural areas, where those taking up employment are a mix of local populations and rural migrant workers (mainly for cane cutting). Salary scales in the industry are generally well above what can be earned in rural-based agriculture industries. Social services such as health, education and housing are to a large degree catered for or strongly subsidised by all four factories, where districts and municipal administrations benefit from generous corporate social responsibility (CSR) budgets. It is generally acknowledged that social services and access to banks around the four rehabilitated estates and plants are well above what one normally encounters in rural areas (Locke 2009). The industry is ‘creating an income multiplier effect, with sugar workers having money to spend on other goods and services [and] the sector also creates the opportunities for other industries to develop, supplying goods and services to the sugar mills’ (LMC 2006, p. 7; also INA 2005b). But the re-emergence of the sugar industry in the rural areas has exposed the shallowness of the specialised service and supply industries as the backward linkages between the sugar industry and local Mozambican suppliers of services and goods have been problematic, just as it is for all other FDI mega-investments. For example, only about 23% of purchases by Maragra sugar estate in 2004 were locally produced, with the rest provided by foreign companies or their subsidiaries (LMC 2006, p. 8).

Furthermore, the European Union’s €6 million Accompanying Measures Fund to mitigate the effects of changing the European sugar regime (CEPAGRI 2006) has stipulated the previously limited outsourcing of cane production. Where only 0.4% of cane was produced by independent Mozambican producers in 2005 (INA 2005a, p. 21), this figure had increased to 4% by 2008 (CEPAGRI 2009, p. 24) with around 15 associations, involving 1365 producers. The European Union fund also signals the first large-scale direct involvement of donor money as part of the rehabilitation process, which in itself is remarkable, considering the levels of aid dependence experienced by Mozambique over the past two decades.

Why was the sugar industry rehabilitated?

Why was the sugar sector singled out by the Mozambican state and government for rehabilitation? The literature on the issue has argued that the rehabilitation strategy approved by the European Union Council of Ministers in 1996 came about ‘under the coordinated pressure of investors, three large international sugar corporations’ (Castel-Branco 2002, p. 179). In this optic, the sugar rehabilitation strategy from 1996 and the actual process of rehabilitating the industry was therefore more of a forced imposition than a joint effort between the state/government and the foreign corporations.7 Mozambique’s emergence from a history of nationalisation and state intervention/administration of most parts of the industrial base after independence in 1975 seems to support such an argument, though there were forces within Frelimo and among its academic backers that in general – for ideological and nationalistic reasons – were against privatisation (Hall and Young 1997; Pitcher 2002; Macuane 2010). Let us briefly engage with the question of resistance and/or accommodation to reforms like privatisation of the industrial base.

The politics of privatisation

It is argued that as the reforms of then President Samora Machel took off, particularly after his death in 1986, one would for the first time see clearly demarcated ideological and
systemic divisions materialise within the Frelimo post-independence set-up that both reflected and further ‘intensified fragmentation and dissension within the state’ and the party (Pitcher 2002, p. 116). It is common to depict this as the emergence of three blocs: the ‘hardliners’, the ‘softliners’ and a ‘neoliberal’ bloc (Pitcher 2002). The three camps emerged just when Frelimo attempted to reform the centralised state order and disengage the state from the party at the same time as the civil war was peaking and the economic crisis seemed irreversible.

‘Hardliners’ saw no need for substantial reform of the state project and they refer to at least two quite different, but intertwined positions. On the one hand, ‘ideological hardliners’ recognised the need for reform as this was considered part of the conflictual basis of Marxism, but they did not search for abandonment of the socialist principles nor of state intervention per se. If anything was needed it was adjustment and adaptation. On the other hand, ‘systemic hardliners’ saw no need for reform or even change. Here the administrative unity of party, state, political system and society is seen as absolutely natural and is implicitly taken for granted by many in the state and party apparatus at both national and provincial level.

‘Softliners’, in contrast, promoted reforms of the state sector and actively advanced the emergence of a private sector and free markets, but they did not want state involvement to be totally eradicated, only reformed (streamlined and restructured), so that the state could engage more efficiently with the private sector. Controlled private sector and market promotion was therefore the preferred modality for the privatisation of state assets after 1987. The ‘softliners’ bloc was quite diverse and differentiated internally, with stand-offs between shifting formations, ministries and personalities regarding the pace of reform, who the intended beneficiaries were and the specific content of reforms. But even though reforms were contested, ‘softliners’ saw reform as part of preserving Frelimo dominance (Pitcher 2002), such as the role of the party vis-à-vis the state and the role of the state in the economy and social sphere. It is therefore perhaps more correct to call them ‘soft hardliners’ or ‘pragmatic hardliners’, as they advocated adjustment that reproduced Frelimo dominance and did not challenge the administrative unity of party and state, or Frelimo control over the political system, society or economic/business system.

Studies of Mozambique dealing with the state and privatisation after 1987 and economic policy in relation to donor dependence have suggested that a third bloc was increasingly in the ascendance promoting unguarded and rampant neoliberal reforms (see, for example, the various writings of Hanlon mentioned in this article). The neoliberal bloc consisted of a mixture of Western donors and state and government officials from key ministries – such as finance, and trade and industry – that through the 1990s and after the new millennium were in charge of market and investment policy making and implementation. The small and scattered group of national private sector members supported this drive, which was further underpinned by the alleged merger or ‘marriage between the politician and businessman’ (Pitcher 2002, p. 118). Descriptions of the ‘neoliberal’ bloc clearly play on derogatory images of the exploitive capitalist ‘selling out’ sovereign state assets and appropriating such assets for own gain. It is doubtful that such a group can actually be empirically identified, at least within the Frelimo setup. In contrast it is possible to identify within the party protagonists for the different instantiations of the ‘hardliner’ and ‘softliner’ blocs. Rather the loosely organised blocs created a certain degree of fluidity, and capacity to shift location made the direction of the state project less clear, but it also allowed for considerable flexibility regarding policy, as suggested by Pitcher (2002).
We mention the three blocs here because the crux of the matter is that reforms have been appropriated by the Mozambican government, party and state to secure the survival of Frelimo as a dominant force. As the popular saying in Mozambique suggests, ‘in order to make sure everything remains the same some change has to take place’. In quite substantial cases, reforms were considered necessary rather than just an imposition, and they were appropriated and aligned to ongoing Mozambican concerns because their content and form were in line with long-term national policy preoccupations (like poverty alleviation and development) and the survival of the system, thus both allowing for ‘hardliners’ to see them as ‘national’ and for ‘softliners’ to find them acceptable as reforms over time found a controlled form. Here it was sometimes convenient to use radical critique and suggestions of imposition and government weakness as it allowed the government to carry out some of the more controversial policies as the ‘victim’ of the international aid system, the IFIs and so forth.

We argue in this article that the state, and the political leadership in charge of the state, supported the rehabilitation of the sugar industry in the context of five related issues that converged and created sufficient support at different times:

- Ideological attributes.
- The need to re-establish state bureaucratic control over territory and population.
- Government needs.
- The particular experience and drive of national industry actors, creating a bureaucracy that could mediate between FDI and state/government.

These five drivers shaped the various responses outlined above to reform and, we suggest, merged with FDI interests in Mozambique. As such, outlining the five aspects of support should demonstrate that the rehabilitation of the Mozambican sugar industry was not just an imposition by foreign interests. Furthermore, this also implies – as we have argued elsewhere – that the support was not uniform, nor can it be defined in simplistic and one-dimensional terms, but needs to be understood in terms of what we call attributes of support that emerged out of a post-independence fusion of a range of state and government officials’ historical experiences of success and failure in the industry and pragmatic concerns at different levels, as well as longer-term ideological stances (Buur 2011a). We briefly summarise each of the five attributes of support.

**Post-conflict and pragmatic attributes of support**

The government of President Joaquin Chissano, which took over after President Samora Machel’s death in 1986, singled out the sugar sector for special treatment. This was done long before the General Peace Accord in 1992 and based on post-independence strategies that referred to the potential of the sugar industry. But it is clear that as part of preparing for the end of the civil war, a specialised agricultural ‘task force’ was constituted by high-level members of government ministries and state institutions and tasked with identifying potential industries (sugar, cotton, tobacco, tea, cashew etc.) that could provide income opportunities besides crucial export revenues. Equally important was the sector’s capacity to provide a certain degree of service provision, so the heavy influx of people to the cities could be stopped and demobilised soldiers would see a future in the rural areas. It is therefore no surprise that in the important March 1995 document *Establishing the basis for economic and social development: key policies* (Government of Mozambique 1995) –
which was prepared for the Consultative Group Meeting for Mozambique in Paris, where donors were asked for money for the reconstruction of Mozambique – the sugar sector was identified as a core strategic industry due to its superior track record as an export commodity, as well as its capacity to monetise and industrialise the rural areas and its labour relations. This concern had a particular historical and ideological background.

**Ideological attributes of support**

The sugar industry was known for providing superior, quasi-urban social services in housing, education, health and water (INA 2000, p. 2). The transformative capacity of the sugar industry is what has been called ‘urbanising the rural’ and is an important marker of a softer version of the post-independence attempt at creating the idealised modern and rational ‘New Man’ (*Homen novo*) (Buur 2010). In order to fashion one united people in the areas that Frelimo controlled during the liberation war against the Portuguese, a myth was created that idealised the liberated zones: ‘Everything is directed towards liberating man, serving the people ... there is nothing to divide us’ (Machel 1981, p. 43). After independence it was expected that, with access to education and health, political training, local governance, and so forth, the new society would produce the internal liberation of Man. After the end of what became a civil war in 1992, the transformation would also take place through and with capitalist relations.

**Regaining ‘lost’ territory**

All of the sugar plants and estates were situated in areas which by the end of the 1980s were controlled or strongly influenced by the opposition forces of Renamo. In some areas double administration was *de facto* the order of the day long after it was abolished *de jure* after the GPA and the Mozambican post-1994 democratic state had taken over. In some of these areas Frelimo, the governing party since independence, lost the 1994, 1999 and 2004 elections. The re-emergence of functioning production units in rural areas became a sign of the government’s will and effort to secure greater legitimacy by providing jobs and securing investment in transport, communication and port facilities – and, not least, providing social services at a higher level than in many urban areas, as it was subsidised by CSR-induced social spending from foreign investors. The re-emergence of the sugar sector allowed for the gradual re-establishment of territorial integrity combined with political control in contested areas. Over a 15-year period the ruling party managed to secure enough support to win both national and local elections in all the areas where the sugar industry re-emerged.

**Government needs**

The government was confronted by a serious financial dilemma over state enterprises, including sugar estates and industrial plants. The post-independence state-intervened industry, running at a loss, was being funded by the banks and in the end by the national bank. The debt increased year after year. The state had to take over the debt as well as settle workers’ claims and pensions, and even get rehabilitation started in order to attract investors. As a strategic industry the government wanted to prepare the ground well. This was based on an acknowledgement of failures to protect Mozambican government priorities when confronted with pressure from the Bretton Wood institutions. For example, top Chissano-era officials made no secret of the sugar sector’s special status during the early phases
of rehabilitation, where the sector was used to prove that a more considered form of
privatisation, with state support, could be achieved without repeating past command-
economy shortcomings. In particular, the International Monetary Fund (IMF) and World
Bank treatment of other productive sectors like the cashew industry (Cramer 2006,
pp. 266–268; Hanlon 2000; Hanlon and Smart 2008), where state protection had been with-
drawn too sharply under heavy pressure by the IFIs and just after it was privatised, had dire
consequences for the industry and those investing. Put simply, the government wanted to
show that Mozambique could provide support to a productive sector without turning it
into an ineffective sector. It would be ‘like in the past, with central planning and a
command economy, but done in a sensitive, effective and competent manner’.

A mediating bureaucracy

Finally, after independence state officials and industry people began to realise both their
own limitations and some of the constraints of the capitalist world market economy. We
have argued (Buur 2011a) that this particular set of experiences drove national industry
actors and created a mediating bureaucracy that could intercede between FDI and state/
government expectations and needs as they emerged or changed. An important character-
istic of the sugar sector or all other sectors that have some recent success in Mozambique
(chicken farming or the new momentum of the cashew industry) is that many of the state
and sector leaders, including union leaders, have worked within the industry in both
private and state capacities since the 1970s in different constellations. This group of
actors knew what the sector earlier had achieved, they had experienced the total breakdown
during the 1980s and felt it as tragic, as it could have been avoided with a mixed economy.
This group of actors had a keen eye for the many aspects of private sector business interests
and needs on the one hand and the diverse and contradictory mix of state/political impera-
tives outlined above on the other, as well as for new issues that would emerge. They knew it
would be possible to get the flagship of modern rural industrialisation in Mozambique up
and running again, but they also knew that besides political backing it required assistance
from outside Mozambique. They had experienced that relying on export of sugar for
revenue was problematic, as the free market generally was based on ‘dumping prices’
and that was the reason that all sugar-producing countries based their production on internal
markets and trade agreements.

The general support from a very diverse group of direct actors – the state and govern-
ment, the sugar union and industry players – does not imply that there was no critique or
that the process of privatisation and rehabilitation did not create many uncertainties or ten-
sions. Union leaders and ordinary members, for example, while generally positive – as they
had seen the industry vanish and with it their jobs and power, also engaged in struggles to
maintain jobs deemed redundant, and keep privileges and influence that had become insti-
tutionalised after independence. Questions related to land, which one could expect would
feature prominently and potentially could create tough resistance, were nonetheless less
prominent. This was partly because the land involved in the privatisation process and the
initial rehabilitation phase was industry land developed during the colonial era. After inde-
pendence, all land was formally taken over by the state, so privatisation of the estates meant
transfer of buildings, production units, irrigation systems and so on, and creation of long-
term leases or user-rights. Most sugar estates were dilapidated and in some instances (for
example at Maragra; Cardoso 1983) the land had partly been used for food production
and some resettlement of displaced people during the civil war. Privatisation and transfer
to foreign investors of user-rights did initially create some tensions but never on a large
scale as most peasant families could access other land, but more often found work at the sugar estate.

This contrasts sharply with conflicts emerging from the third wave of investments in cane-based ethanol production that was initiated in 2008 (Schut et al. 2010), where large tracts of new land are appropriated in processes that resemble large-scale land grabs as they often involve movement of family-based peasants. This drive towards cane-based ethanol production has involved the potential transfer of land on a far bigger scale than sugar production, where the four estates approach 50,000 ha in total even after a recent expansion drive based on independent small- and medium-scale cane production. In contrast, the now failed ProCana cane-based ethanol facility in Massingir in the south had laid claim to about 30,000 ha alone, while the Principle Energy project in Dombe in the central region envisaged producing cane on 18,000 ha during the first phase. In fact all of the projects have either failed or are struggling, mainly because they are based on volatile venture capital funding, as opposed to the state-guaranteed loans that initially financed the rehabilitation of the sugar sector.

**Key features of the rehabilitation**

In this section we will engage in some detail with three aspects of the state and government’s role in coordinating the diverse political and commercial purposes and interests at play as the foreign corporate sugar sector bought into the national rehabilitation policy. The three aspects are: financing rehabilitation; limiting opportunities; and creating an internal market. The role of the state and government has been broader than this as it was also involved in organising and institutionalising the sector, monitoring implementation of the sugar strategy, and promoting small-scale cane producers, particularly after 2006 when the European Union accompanying measures came into force and so forth. (On the European Union accompanying measures, see Locke 2009.) But the aim here is not to provide a full narrative of the rehabilitation efforts. It is only to provide sufficient data for arguing that the Mozambican government and state was indeed very active in the relatively successful rehabilitation of the sugar industry, instead of solely seeing it as the victim of external forces of diverse kinds.

The three aspects dealt with here fall in many ways between what Peter Evans tried to capture with the terms ‘midwifery’ and ‘husbandry’ (Evans 1995, p. 12; 1997, p. 75). Midwifery emphasised the nurturing role of the state when prioritising between productive units and providing support for them. In Mozambique, nurturing was important so that the sugar industry could in the short to medium term operate in a manner where export earnings and internal revenues could be generated, allowing for servicing of loans taken in order to pay for the rehabilitation. These loans were facilitated by the state, as we describe in the following subsection. As the midwifery role succeeded, the role of the state changed and became more of a husbanding role. While the state and government continued to actively promote the industry, largely with the same people that initiated the process (at least until 2006, when the effects of the new Guebuza administration made several changes to the institutional state set-up), it also institutionalised and organised the industry as well as continuously evaluated the progress of efficiency and competitiveness in order to ward off critiques of its protected internal market. This, in turn, presented possibilities to spur on expansion of cane production, as initially suggested by the policy/strategy of 1996, although this did not become economically important until the European Union market became available and the European Union Accompanying Measures Fund provided some funds for expansion through small and medium producers organised in associations.
Importantly, the three aspects dealt with here all relate in one way or another to rent creation within the sugar industry (on rents and rent-seeking as a process to foster development, see Khan and Jomo 2000). In economics rents are conventionally defined as an ‘excess return’ that is above ‘normal levels’ of profit made in a free market or enterprise competition, and usually becomes associated with a lack of competition in markets dominated by monopoly creation and maintenance. But there are, as Khan (2000a, 2000b) points out, many types of rents (transfers, regulatory pricing structures, targeted support etc.) and they can be absolutely necessary for economic growth and industrial development to take off, and for the productive sector to become consolidated and profitable. This is especially true in developing countries, as ‘institutional change almost always involves the creation or destruction of rents’ (Khan and Jomo 2000, p. 3). Rents can therefore be both necessary and problematic – something that cannot be asserted a priori. Various logic constellations can be presented but positive/negative implications are context-specific and related to a variety of internal/external factors. That there is a relationship between the ‘midwifery’ and ‘husbandry’ roles of the state and rents is no surprise as rents are essentially incomes created by political interventions (Khan 2000a, 2000b). Transfers, for instance, are often the basis for asset accumulation, for example primitive accumulation that caters for the emergence of new capitalist and middle class groups, producers etc. or creates possibilities like those of small and medium cane producers far later on in the process. Transfer mechanisms can include taxes, subsidies, conversion of public property into private property and so on and can also, as illustrated here, be used to involve FDI. So where Khan is primarily interested in rents related to concerns such as covert class and economic entrepreneur formation that can form part of a development strategy, the rent dynamics in the sugar rehabilitation process were somehow different, at least initially. In the sugar case rents aimed to assist the rehabilitation of a once-productive sector with and through FDI capital where the state played not just an active but a critical role in promoting investments, upgrading technology, acquiring skills, providing loans, creating protected internal markets, signing up for international high-yielding trade quotas and so on. There was no direct covert class and economic entrepreneur formation initially but rent creation definitely formed part of a post-conflict development strategy for highly contested territories where the Frelimo state had only a scant or contested presence. Rents as such compensated for initially uncompetitive cost structures while the industry got off the ground, paid back state guaranteed loans and generally learnt to operate in the risky post-conflict Mozambican business and political landscape.

**Financing rehabilitation (or creation of rent opportunities)**

Initially, one of the enigmas was why the state continued to have a large shareholding in the industry after it became privatised. If Mozambique had been solely a neoliberal victim, state involvement would have vanished or been derailed. If the old hardliner faction of Frelimo had been the driving force the state would have been basically running the actual operations. Instead, its role was to prepare for and finance the initial phase of rehabilitation. State shareholding was initially related to the ‘debt swap initiatives’ that formed part of the initial restructuring of ownership that took place before actual privatisation was effected and partly to accessing favourable loans for the actual process of rehabilitation. Debt swap dealt with old debt accumulated before 1975 and escalating afterwards, or new loans/credits necessary for paying out workers, pensions, use of land etc. which was swapped for shares by the Banco de Moçambique, which became a main owner of the sugar industry by swapping shares before foreign investments were made. But as Castel-Branco (2002,
pp. 201–202) has correctly noted, ‘multilateral and commercial credit was made available’ to the four companies that were rehabilitated. How exactly this was done is a rather complicated issue but it holds the key to understanding the substantial participation of the state in the industry until recently. In Mozambique, the quality of the financial system was and still is poor, and interest rates, which today hover around 15–20%, were even higher before – if any capital at all was available immediately after the civil war for such long-term and intensive investments as the sugar industry demanded.

An illustrative example of how financing changed the formal composition of the sector is the shifting ownership structure of the Xinavane estate and industrial plant, the original name of which was Sociedade Agricola do Incomati (SARL). Xinavane was never nationalised or intervened in like the other companies were after independence, but stayed in the hands of the South African sugar company Tongaat-Hulett Ltd, the owner of which was the even larger multinational, Anglo American. The company was formally operational after the civil war but at a very low level – close to 8% of its capacity at the time of rehabilitation. Interestingly, Xinavane was not rehabilitated before the state took up substantial shares in the estate. In 1990 SARL was dismantled and a new company was set up, Açucareira de Xinavana, with the state as majority shareholder (51%) and Tongaat-Hulett at 49% with the right to acquire more shares at a later stage. The Mozambican state’s involvement was financed by loans from the Banco Árabe de Desenvolvimento (Arabic Development Bank, BADEA), the Kuwait Fund and the OPEC Fund to the total value of US$45 million (Gode 1997, p. 6). These were the loans used to rehabilitate the estate and industrial plant.

Therefore the reason for the shareholding change is that the rehabilitation was to a considerable extent financed through the Mozambican state, which took ‘cheap loans’ at various multilateral and commercial credit facilities like development banks, special funds and facilities providing such loans primarily to states at that time. (This, according to present actors, has partly changed.) In such a situation, loans negotiated for rehabilitation had a double function. They aimed at rehabilitating a particular entity, but they also sent a strong message to the international sugar industry: ‘We want to rebuild the industry; we are serious and are ready to take chances and assist.’ As the sugar companies got export revenues in – initially from the few limited preferential trade agreements with the United States and European Union and less so from free market sales characterised by ‘dumping price setting’ (LMC 2004, 2006) – they paid off the ‘state debt’, so to speak.

Here export revenues, due to foreign currency constraints, were crucial for external debt payment and paid for the actual loan-servicing besides also catering for the payment of a smaller fee to the state for the provision of access to finance. As debt was paid off, state shares diminished but the state’s overall credit rating improved as it had been ‘punctual’ in servicing debt. The state’s intervention in providing cheap finance was crucial for attracting foreign investments particularly to less attractive and politically difficult investment areas like the central regions of Mozambique.

The point is that the Mozambican state (through Banco de Moçambique) was still a main player in the sugar sector after the first two waves of privatisation, with heavyweight South African and Mauritian capital interests (capital, management and knowledge, which for the latter was later taken over by large French–Brazilian capital interests) increasingly becoming directly involved. Besides big corporate international sugar interests, a few private investors, some of which were former sugar company owners like the Petiz family from Portugal (who managed to get control over the Maragra estate after the civil war and later bought Buzi with the aim of rebuilding the company), became involved after the restructuring and privatisation. The particular way in which access to finance
was initially provided created further links between the FDI-driven sugar companies, the state bureaucracy and government. For each company the state/government appointed one or two representatives consisting of highly ranked personnel from either the party-state or state-business sector. For example the former director of the National Sugar Institute (INA), previously in charge of producing the rehabilitation strategy, was deployed to all the administrative boards but with special attention given to Tongaat-Hulett where he later became director, while the new INA director taking up the mantel after 1996 later served on the board of Marromeo until 2009. Others were high-level Frelimo or state officials.

For the state/government, the formal administrative linkages allowed it to follow the rehabilitation process closely, monitor that the politically important aspects of the rehabilitation plan were followed and assist when needed. In particular, it could make sure that political and pragmatic concerns related to the General Peace Accord from 1992, which had ideological underpinnings such as the social service dimensions (building and maintenance of school, health and housing facilities and water provision that also referred to an ideological project of transforming rural populations), were honoured as much as the economy at the different estates allowed. As a result of continuous pressure from state representatives the economic profile of the industry did become more inclusive, particularly when it came to small- and medium-scale cane production. It is no coincidence that Xinavane today has the most expansive small- and medium-scale cane producing scheme, as the state representative – the former INA director – got the company to test different models for such production early on in the process. State representatives on the boards also allowed the state to prevent defection and ensure that the companies honoured the finance deal, which ultimately had credit implications for the government.

Table 1. Ownership composition by 2000.a

<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership</th>
<th>Shares (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maragra Acucar, SARL</td>
<td>Maragra SARL</td>
<td>50</td>
</tr>
<tr>
<td>Maragra Comercial, SARL</td>
<td>Illovo Sugar Ltd</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Maragra SARL</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>25</td>
</tr>
<tr>
<td>Xinavane</td>
<td>The state</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Tongaat-Hulett Ltd</td>
<td>49</td>
</tr>
<tr>
<td>Mafambisse</td>
<td>Tongaat-Hulett Ltd</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>The state</td>
<td>25</td>
</tr>
<tr>
<td>Buzi</td>
<td>Banco de Moçambique</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>The state</td>
<td>33</td>
</tr>
<tr>
<td>Marromeo</td>
<td>Sena Holding Co.</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>The state</td>
<td>25</td>
</tr>
<tr>
<td>Luabo</td>
<td>Sena Holding Co.</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>The state</td>
<td>25</td>
</tr>
</tbody>
</table>

Notes: aThis ownership structure has since changed in various ways, but primarily for Sena Company (Marromeo/Luabo) as new French–Brazilian capital has taken over. State shares have generally declined, which is related primarily to debt payment swaps as we have found no information related to any payments for state shares.
bMaragra was the only company divided into sugar-producing and agricultural (cane) divisions. Maragra SARL had by 1999 an ownership structure that included the Petiz family (60%), Banco de Moçambique (17%), the state (17%) and others (6%).
cThe company was privatised in 1998 and Sena Sugar Estate was owned primarily by Mauritian capital. This has since changed and Tereos, a French company, the world’s fourth largest sugar producer, took a 50% share in Sena Holdings Ltd. In 2007, Tereos’s sugar interests were concentrated in the Brazilian subsidiary Açúcar Guarani SA, the third biggest Brazilian sugar cane producer (Sena 2009, pp. 1–2).
This leads us to the second aspect of how rehabilitation was facilitated by the state and government. In the next section we discuss how four of the six available estates/industrial plants were selected for rehabilitation, and the political implications of the exclusions and inclusions.

Prioritising among estates (or selecting rent seekers)

That only four out of six estates were initially rehabilitated can be explained partly by the limits to the liabilities the state could expose itself to as the institution that *de jure* took out the loans. But beyond the economistic aspects other issues also need to be considered related to the political economy of the rehabilitation of the sugar industry. There can be no doubt that the government and state personnel initially wanted to rehabilitate all six facilities and investors had indeed been identified for five of them. There were five estates and industrial plants that were not operating and/or were severely dilapidated besides Mafambisse, which by then was already under rehabilitation but encountering serious management problems (Buur 2011b). Was it economically feasible to maintain all the companies? Was it politically desirable to rehabilitate all the estates and mills? If politically desirable but economically unfeasible, then based on what criteria should a mill and/or estate continue to be closed or reopened? The issue was both economic and at its core deeply political – and related in interesting ways to a set of issues connected to transfer of rights and sharing of rents generated by political intervention and, later, marketing coordination strategies (elimination of competition) besides state and government needs for re-establishing bureaucratic control over territory and population.

The four that were ‘prioritised for the implementation of the rehabilitation’ were Mafambisse, Xinavane, Maragra and Marromeo (INA 1996, p. 8). Maragra and Xinavane are in government strongholds in the south, Mafambisse is in politically contested central Mozambique and Marromeo to the centre/north. For state–industry people creating what we above called a mediating bureaucracy there were important strategic issues that needed to be addressed, considering how the regional and world markets for sugar were organised, besides the political aspects of prioritising. One of them was how to define the priorities for privatisation and rehabilitation so that excess productive capacity could be avoided in the short to medium term while the industry was given a chance to become productive and feasible. Another was how to align economic concerns with diverse political concerns related to the priorities of the state and government, particularly the issue of territorial and population control in former Renamo areas.

In simple terms, by selecting only four estates/industrial plants and transferring to the group of FDIs the right to the property and exploitation of the land, the state and government made it a limited contest among a closed group of companies, which could in the future make the most of the rent opportunities the Mozambican state offered through a protected internal market. Importantly, there would be no ‘excluded’ competitors as such, as none of the estates/industrial plants deselected was operational. There could be provincial authorities and union representatives that felt marginalised as investment was transferred elsewhere but no direct sugar competitors that needed to be negotiated with. Those estates and industrial plants that were not selected could potentially in the future be rehabilitated, but the time horizon would be rather long and require substantial investments.

The total cost of rehabilitating the six sugar facilities was estimated in 1996 at around US$395 million for the first phase, with the two facilities along the remote Zambezi River – Marromeo in Sofala province and Luabo in Zambezia province – the most expensive, at over US$200 million.
This meant that two companies were in the south (Xinavane and Maragra), with easy access to the industrial and technical expertise in South Africa and two (Mafambisse and Marromeo) were situated in the politically contested areas of Sofala province (generally considered opposition territory), with one of these on the border with the Zambezia province. The Luabo industrial plant had been totally destroyed, was surrounded by a relatively limited population and could be accessed only by boat along the Zambezi River. It was in the end not considered feasible to rehabilitate due to the massive financial input needed. Buzi, on the other hand, would have been the cheapest to rehabilitate and had easy access to the port of Beira. Although the Buzi River bed was changing – a threat to the industrial plant – the plains around the plant and the irrigation system were more or less intact and it would have made a favourable place to invest. But exactly because of these conditions Buzi also had the best other options available with rice, prawns, livestock and cotton as alternatives and natural gas for exploitation, as it turned out.

Prioritising was also intimately linked to making the future pricing policy effective, as capacity had first to be incrementally increased for the protected internal market before access to more lucrative export markets could be negotiated on a larger scale. Luabo, if reconstructed, would have been the largest estate and industrial sugar plant in Mozambique, as it was during the colonial era, and Buzi the smallest. But besides the more economistic considerations the selection of Marromeo instead of Buzi was at its core deeply political as party and state players believed this was the only way in which the state could establish a credible presence in the hardliner Renamo area of Marromeo and the Sofala side of the massive Zambezi river valley (based on information from provincial state and government officials and industry people). To wrest control from Renamo was difficult, but over time the Frelimo government did manage to win both national and local elections in Marromeo. This ultimate political success was directly linked to the rehabilitation of the sugar estate and industrial plant as jobs were created and crucial services delivered, showing – as it was put to us by provincial state and government officials – that ‘the Frelimo government could provide to those supporting it’.

Therefore considering the combined weight of political and economic gains, the rehabilitation of the four estates/plants seems to balance fairly well the diverse political, pragmatic and economic needs of the involved stakeholders. What is clear is that Castel-Branco’s argument that prioritising was done solely in order ‘to avoid excess capacity’ under pressure from ‘the three large international sugar corporations’ that ended up running the four sugar estates and mills (Castel-Branco 2002, p. 179) does not capture the intricate considerations that made the diverse attributes of support converge. For the Mozambican state and government there were good reasons that merged both political, state administrative and economic considerations. This was not a question of creating unfair opportunities for a group of external actors. It is easy to forget that while the 1996 rehabilitation strategy anticipated the creation of a protected internal market with sufficient

<table>
<thead>
<tr>
<th>Xinavane</th>
<th>Margra</th>
<th>Buzi</th>
<th>Mafambisse</th>
<th>Marromeo</th>
<th>Luabo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.5</td>
<td>50</td>
<td>35</td>
<td>50</td>
<td>100</td>
<td>110</td>
<td>394.5</td>
</tr>
</tbody>
</table>

Note: aFor the Marromeo/Luabo sugar plant, the costs did not include the rehabilitation of the Sena railway line, on which the plant depended before, nor the installation of electricity from the Cahorra Bassa Dam.
profit margins to pay for the rehabilitation, this was all policy and not a concrete reality or something easily done. Around 90% of all sugar consumed (private and industry) in 1996 was unaccounted for, in other words provided through smuggling. Considerable state intervention would be needed in areas where its capacity was notoriously weak, and where it would be confronted with long-established trade groups connected to funding Frelimo and the military and security establishment, as well as the state and fiscal system and the political domain more broadly. The creation of an internal market, then, while easily stated on paper, was circumscribed by considerable risks.

Creating productive rent opportunities

The pricing policy that created a protected internal market was provided for in the Sugar Rehabilitation Strategy of 1996 and further work would be done over the following years by administrative staff, consultants, the industry and researchers fine-tuning, defending and legitimising its existence (e.g. Gode 1997; Food and Agriculture Organization of the United Nations (FAO) 2000; INA 2000, 2001; LMC and Global Sugar Consulting 2000; CEPAGRI 2007; LMC and Intellica 2010). From the outset the strategy gave nominal policy guarantees for investors even before the state had taken up all the loans on behalf of the industry. It came into effect in November 1997, long before the industry was up and running. The actual implementation of the price policy, with its flexible levy on sugar imports that catered for the creation and protection of an internal market, had to wait until the new millennium. When the policy therefore was approved it had little effect, because there was not enough sugar produced in Mozambique to protect – there was hardly enough to honour the few and limited preferential trade opportunities on offer to Mozambique from the United States and European Union. But, as the industry picked up production after the 2000 floods, and as the estates/industrial plants became operational (with Marromeo the last one in 2002), and cane production rose and productivity increased, it became an important political issue and created substantial public discussion, with the industry pressing for its implementation while different Frelimo and government groups either supported or resisted implementation (see below).

The objective for creating a protected internal market was formally to ‘Create a favourable milieu in order to stimulate new investments in the sugar industry, promote efficient production and minimise the obstacles for developing the sugar sector caused by the nature of the world market (extremely volatile and based on dumping prices), the fiscal policy (lack of stability) and high risk confronting investors’ (INA 1996, p. 10). This was necessary first of all because of the residual nature of the world market, where at that time 70% of sugar was traded in closed and protected markets and only 30% marketed openly – and this usually only surplus production, which most of the time was sold at price levels below actual production costs (INA 1996, pp. 20–26; FAO 2000, p. 8). Secondly, more implicit but still traceable in the policy is what is known as ‘the infant industry argument’, which suggests that in order to reach high levels of productivity based on an economy of scale, market protection was a sine qua non. A third reason was the Chissano government’s commitment to the industry that had created jobs, provided social services and expanded infrastructure to rural populations in parts of the country where the state then had limited access or legitimacy. It was acknowledged that the economic costs were considerable and export markets could not yet provide sufficient revenue even to make the industry ‘break even’.

The 1996 strategy presented the principles for calculating the flexible sobre taxa or surcharge that would follow international price developments (INA 1996, pp. 76–77). When
the price falls below a certain historically determined reference price calculated through a
fixed formula over a three-year period and based on various sources, a levy or import tax
comes into effect (INA 2000, p. 14; LMC and Global Sugar Consulting 2000, pp. 1–3). The surcharge would be calculated month by month and made public in the press.

In important ways the surcharge would become the single most controversial aspect of
the whole rehabilitation strategy, and in fact it became the litmus test for state and govern-
ment commitment to the sector as it involved a number of ministries and regional coordi-
nation of state and government entities for enforcement, besides the key authorities in
harbour and border control. Furthermore, it came to embrace reforms of complex state insti-
tutions like border controls, customs and tax/value added tax (VAT) and immigration author-
ities, as well as impacting on investment policies already in effect and curbing of family
trade houses like Delta Trading (Aga Khan-owned) and Sasseka/AFRICOM, which earned
well on importing sugar mostly informally (informality was the rule as the formal system
was weak). Since its creation in 1995 AFRICOM, for example, had become the premiere
commodities supplier in Mozambique, importing products like sugar, rice, wheat flour,
maize flour, cooking oil, spaghetti, biscuits, soap and batteries. Challenging such family
trade monopolies, which often spanned several continents and had strong economic
holding power and internal cohesion besides paying generously for protection to the
Frelimo party and individuals, in the name of an FDI-based national industry was not
easy. Challenging trade houses importing sugar required considerable political investment
and continual liaison internally in the governing party Frelimo, as well as in the various
trade houses financing considerable parts of the political settlement at the end of the
1990s and early part of the new millennium (something these family-based trade houses
still do, which to some extent explains why productive sector development in Mozambique
seldom takes off).

Furthermore, the surcharge initially included only raw cane sugar and not differential
charges for raw and refined (white) sugar as all other surcharges worldwide did. When
the National Sugar Institute, on behalf of the industry and the government, added a
special charge for refined sugar, it met spirited resistance. The development of a differen-
tiated surcharge tax that protected the upcoming industry also thereby hindered free price-
setting and made the market imperfect – responding to already imperfect market conditions
as sugar from Swaziland and South Africa, while cheaper, continued to benefit from protec-
tion measures. Resistance to the surcharge came mainly from two camps: first, upstream
industries like the beverage industry (particularly Coca-Cola and the South African Brew-
eries-owned local beer companies), which had come in with substantial investments after
1990, as they were the biggest formal users of refined sugar; and secondly the IMF and
World Bank, which became nervous as the surcharge imposed at the end of 1999 (but
not effective until after the floods in 2000) raised the ghost of the state-imposed price-
setting system of the 1970s and 1980s. As such it was related to the creation of a mon-
opoly-like situation which was considered unfair for market competition in general.
However, the pricing system was implemented after a compromise was brokered with
the sugar user industries, and after a long and fierce battle with the IMF/World Bank led
by then deputy minister for finance and planning Luisa Diogo and including all the top
Mozambican journalists, President Chissano, then Frelimo general secretary Manuel
Tome and other top government figures, as well as many other bank and emerging business
dignitaries (for example AIM No. 170, 1 December 1999).

The controversy surrounding the establishment of the pricing policy and the internal
market epitomised one of the most important aspects of the rehabilitation process: the
capacity to mobilise diverse societal, economic and political groups at different times.
The Mozambican government made sure that the sugar sector got able and coordinated support from the intellectual critical left, the political and administrative nomenclature, the newly constructed private sector and the union movement. While the struggle over the pricing policy has been used to argue that corporate ‘investors’ pressure forced the IMF to withdraw its demand for the liberalisation of the industry’ (Castel-Branco 2002, p. 201) it seems clear that the state and government indeed were key players and coordinated actions were taken. To see investment priorities and pricing policy as driven unilaterally by the interests of large international sugar corporations neglects the active role of government and state as well as the diverse motivations underpinning their interests.

Conclusions
In this article we have argued that the Mozambican state and government is not just a ‘hapless victim’ of IFIs and other donors, but has at least a degree of autonomy and capacity to shape economic development according to its own priorities. We have used the case of the rehabilitation of the sugar industry in Mozambique after the economic collapse following independence (and the subsequent destabilisation war that became a civil war) to argue that state and government involvement in the partial divestment of Mozambique’s large sugar estates has been greater than commonly acknowledged by ‘externalist’ perspectives. We have illustrated this by outlining the main reasons that the industry was rehabilitated as presented by state and government officials, besides presenting three cases of how the state and government was actively involved in the rehabilitation process. While economistic reasons were plenty and usually well argued, there were in each case also clear post-conflict pragmatic, ideological, and political reasons for the state and government’s active involvement.

The support the sugar industry has received epitomises an important comparative entry point for understanding the mixed results of productive agricultural sectors in Mozambique like cashew, chicken, cotton and tobacco. Comparatively the support for the sugar sector may also be important when relating it to the more recent venture capital investments in cane-based biofuel, which seems to have lost state and government support. The fact is that the sugar sector got able and coordinated support from the intellectual critical left, the political and administrative nomenclature and the union movement at crucial moments. Other sectors also attempted to bring investment to rural areas where the state and government was weak and lacked legitimacy, but few were able to combine large-scale formal job creation with social service provision on a continual basis. While a sector like cotton has provided economic income opportunities for rural populations, the cost has been multiple local conflicts over inputs, sales organisation, and pricing policies that often required complicated and contested state and government intervention. We know little about these comparative aspects, but they seem crucial to explore as Mozambique presently stands at a crucial juncture with mega-project investments in oil, gas, energy and minerals that create economic growth with little broad-based economic development. There is in this context an increased need to understand why productive sector investment in agriculture has had so little success in the past. One starting point could be to look at relative successes like the sugar rehabilitation sector and systematically explore the differences and similarities with other sectors – something we hope to be able to do in the future.

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Notes

1. Furthermore, there is, despite the relevant critique of SAPs and liberal reforms, a ‘certain intrinsic value in such features as reining in runaway budget deficits, an end to state monopsony, an export-oriented foreign exchange regime, a measure of privatization, and reduced tariffs on industrial and agricultural inputs’ (Taylor 2007, p. 9).
2. Interview with the Investment Promotion Centre (CPI), April 2010.
3. As the Ministry of Planning and Development has argued over the last year, productivity has been constantly low. The food and cash crop sub-sectors of the agriculture sector grew primarily through area expansion and an increase in the labour force, with a large increase in cultivated areas in the central region after the General Peace Accord in 1992 and the first national multi-party elections in 1994.
4. This article is based on fieldwork carried out in Mozambique between February 2008 and February 2011 as part of the Elites, Production and Poverty (EPP) research programme (http://www.diis.dk). The methodology for the Mozambican part of the EPP involved archive studies, open-ended, semi-structured interviews with relevant actors combined with participatory observation. The main aim was to understand why the rehabilitation policy of the industry was considered desirable and how it was made feasible.
5. In general, we follow Haggard et al., (1997, p. 38) and differentiate between government as a shifting and relatively temporary collection of political leaders, while state officials/personnel are the more or less permanent bureaucracy of the public sector.
7. One can argue that this position forms part of the ‘common suspicion’ that state and business relations attract across quite diverse theoretical positions, be they liberal or Marxist/socialist in orientation, as illustrated by Schneider and Maxfield (1997, pp. 3-5).
10. Interview with former Minister of Finance and Prime Minister Luisa Diogo, June 2010.
11. A preferential trade arrangement with the United States – amounting to 1.3% of total US imports – allowed Mozambique to export between 14,000 and 26,000 tonnes during the 1990s, stimulating a small increase in production (INA 2001, p. 4).
13. Interestingly, the continued co-ownership by the Mozambican state has not been included in any of the discussions of the privatisation of the sugar industry (the few studies include Gode 1997; Castel-Branco et al. 2001; Castel-Branco 2002, 2008) or privatisation in general (Pitcher 2002).
14. We here follow Khan (2000a) in so far that rents based on transfer are ‘rent-like incomes ... created by transfers organized through the political mechanism’ (p. 35).
15. Interview with DNA, 2008.
16. Interview with the former Director, October 2010.
This now seems to be happening, 15 years later. On 3 March 2011 it was announced that Buzi would be rehabilitated at a cost of US$120 million before 2014 by way of a Portuguese investment group led by Jorge Petiz.

Interview with Sofala, 2011.

For this reason, starting in October 1999, the sugar industry benefited from a five-year regime of full exemption from customs duties and taxes on a range of equipment and material associated with the project, including on foreign investors’ and staff members’ personal belongings.

It follows the formula: sobretaxa = preço de referencia – preço CIF (calculated price) (INA 2000, p. 14). It is INA that ‘calculates and publishes indicative c.i.f. prices for both raw and white sugar, based on prevailing … world market prices (including transport costs locally) … and a margin of USD80/tonne for freight and insurance …’ (LMC and Global Sugar Consulting 2000, p. 2).


Interview with General Secretary OTM, 2008.

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Land concentration and accumulation after redistributive reform in post-settler Zimbabwe

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Zimbabwe’s recent fast-track land reform was redistributive, but it retained significant enclaves of large-scale agro-industrial estates owned by transnational, domestic and state capital, despite unfulfilled popular and domestic elite demands for land. Such estates were encouraged by the state to produce agro-fuel (ethanol from sugar), sugar, tea, coffee, timber and citrus, with wildlife ranching for domestic and export markets, alongside expanded small food producers. This outcome reflects the unresolved contradictions of seeking autonomous development in the context of sanctions, domestic political polarisation and declining agricultural production, while promoting reintegration into broader world markets. Neoliberal policies replaced dirigisme by 2008 to promote stabilisation and agricultural recovery but with limited impact. Foreign agricultural investment in Zimbabwe is nonetheless atypical of the current neoliberal land grabbing in Africa, since Zimbabwe reversed past inequalities and retains some state autonomy, and residual land concentration remains contested.

Keywords: colonial land dispossession; land reform; popular occupations; neoliberal land grabbing; state-owned agricultural estates

Introduction

At a time when foreign land grabbing was escalating in Africa, Zimbabwe had in 2000 embarked on the Fast Track Land Reform Programme (FTLRP) to redress settler–colonial land dispossession, and the renewed land concentration and foreign land ownership that emerged in the 1990s (Moyo 1995, 2000). The FTLRP redistributed 10 million ha of prime agricultural lands held by 4500 mainly white large-scale commercial farmers (LSCFs) to over 145,000 peasant families and over 20,000 middle-scale capitalist farmers, while retaining some LSCF farms and large-scale farming estates (Moyo et al. 2009, Scoones et al. 2010, Moyo 2011b). This redistributive reform goes against the spread of capitalist accumulation by dispossession inspired by the neoliberal agenda of export-oriented large-scale food and agro-fuel production, despite the persistence of some land concentration.

The recent foreign land acquisitions in Africa are rarely examined in terms of their diverse historical and sub-regional contexts of colonial rule and capitalist penetration to decipher the varied forms of dispossession, and the state ideologies and projects which enable land grabbing, as well as the diverse sources of popular struggle against it. By the 1930s, Africa had in diverse ways experienced its first wave of colonially inspired land

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The Bretton Woods and some international research institutions consider this land grabbing more of an ‘opportunity’ than a threat to African agricultural development and food security (World Bank 2010, von Braun and Meinzen-Dick 2009, Cotula et al. 2009, Collier 2007). The land deals allegedly represent a supply response to the recent ‘world food price crisis’ mainly by emerging economies, a rational response by investors to the rising profitability of farming (von Braun and Meinzen-Dick 2009, Wahenga 2007), and demands for ‘clean’ agro-fuels (Mitchell 2008). The failure endogenously to increase agricultural productivity in Africa due to discredited neoliberal marketisation (Mkwandawire and Saludo 1999) is conveniently forgotten, and foreign land investments are considered the sine qua non of agricultural growth, despite the negative social effects, including landlessness, and iniquitous agrarian relations.

The gradual dispossession of African peasantries has so far resulted in their incomplete separation from the social means of production and permitted their resilience and differentiation, but in varied national patterns it compelled numerous Africans into cheap wage and informal labour in towns and the countryside. Alongside the pervasive external transfer of value through an unequal world trade regime, which disarticulates African development, the recent land grabbing intensifies a process of ‘continuous (primitive) accumulation’ by dispossession (Amin 1974, De Angelis 2001). Moreover, the export of capital towards possession of African land, water and natural resources represents an endemic speculative tendency of financialised capitalism, which during the recent economic crisis, increasingly focuses on agricultural commodities (Tabb 2008, Ghosh 2008; Patnaik 2008).

Land grabbing in former settler colonial Africa also deepened under neoliberalism (Moyo 2008), but unlike in non-settler Africa, the process is largely built upon historically alienated lands owned privately by racial minorities and foreign corporations. Land concentration is being retained in pre-existing ownership patterns, and leased or sold to new foreign ‘investors’. Land reforms to redress the colonial, racial and social injustices of unequal land and natural resources ownership had hibernated. Zimbabwe’s FTLRP was thus labelled a ‘violent and chaotic land grab’, which allegedly benefited only a few cronies, leading to the destruction of agriculture (Hammar et al. 2003, Raftopoulos 2009, Scarnecchia et al. 2008).

The language of ‘land grabbing’ creates a moral and political equivalence between the restitutive appropriation of colonially dispossessed lands for state-led land redistribution and the recent externally inspired land grabs in Africa, despite the latter’s neoliberal roots. Preoccupation with a ‘chaos’ perspective conceals the structure and agency that
evolved during the FTLRP, including a failure to evaluate the residual extent of land concentration and the developmental objectives and political imperatives which shaped the redistributive outcome. Although some elites grabbed land during the FTLRP (Moyo et al. 2009, Scoones et al. 2010), by overstating domestic elite agency the political dynamics of competing land interests between these elites and the landless vis-à-vis foreign and white domestic capital, are overlooked. Indeed, the literature missed the fact that substantial large-scale estates, owned by foreign and white domestic capital, indigenous public trusts and the state, were not subdivided for redistribution.

Despite its radicalisation (Moyo and Yeros 2007), the Zimbabwean state made concessions to some sections of capital at the height of its confrontation with the ‘West’. Did the economic crisis and related sanctions, and/or a developmentalist project, shape the privileging of estate farming at the expense of land redistribution? How did capital and the state mediate such an outcome against popular and elite struggles for more land? What accumulation trajectory does this portend? These questions are explored, beginning with the settler–colonial legacy of land dispossession and accumulation.

Accumulation by land dispossession under colonial and neoliberal rule

The dispossession of indigenous Zimbabweans of their land and natural resources from the 1890s led to a highly skewed agrarian structure and racially discriminatory land tenures (Palmer 1977, Moyana 2002), crowding the majority into marginal Tribal Trust Lands, now called Communal Areas (Shivji et al. 1998). Institutionalised racial and class inequalities in the largely agrarian economy, backed by mining and a faltering import-substitution industrialisation, depended on migrant black labour subsidised by a stunted peasantry and landlessness. Rhodesia’s agricultural transformation strategy entailed large-scale farming supported by the state, including individual white settlers with average land size of 2000 ha, and foreign and domestic estates, with average landholdings well above 5000 ha. From 1966, state support to large-scale irrigated estate farming through dams, rural electrification and other infrastructures was increased (Rukuni et al. 2006) to expand exports and reduce sugar and wheat imports (Stoneman 1988). By the 1970s, state-owned farm estates were created, including through the Agricultural and Rural Development Authority, which succeeded the Tribal Trust Lands Development Authority,1 the Cold Storage Commission and other parastatals.

In 1980, 6000 existing white large farms and estates were recognised by the state. By 1999, the state had promoted the creation of over 1000 large black farmers alongside 4500 large white farms, and 8000 small-scale black commercial farmers, following a market-based land redistribution, which added over 70,000 peasant families to the existing one million peasant families. Multiracial and transnational land concentration escalated (Moyo 1998), while over 250 large farms and estates were by 1999 supported by Bilateral Investment Protection and Promotion Agreements (BIPPAs). Thus, about 500,000 ha amounting to 3% of the large farming area and 1% of the agricultural land were foreign owned (Ministry of Foreign Affairs 2007).2

Large private estates before the FTLRP were largely owned by South African-based transnational corporations, such as Triangle Sugar Corporation and Hippo Valley (Sugar) Estate (European Union 2007), and European and domestic white capital (e.g. Miekles, Tanganda Tea, Liebigs, Mazoe Estates, Ariston Holdings). Domestic agribusiness conglomerates and estates included pioneer white family owners, some of which held mining exploitation licences.3 The sugar estates had created white large-scale outgrower farmers called independent commercial growers, who were mainly Mauritian and South African
immigrants, with average landholdings of 217 ha (European Union 2007). Around 1971, Mkwasine Estate, owned by Triangle and Hippo Valley estates, created black sugar outgrowers each with 10 ha (European Union 2007). The tea estates had also created about 1000 white and black outgrowers (USAID 2010).

By 1999, numerous large farmers had created seven wildlife conservancies at over 900,000 ha in the drier lowveld region, and these involved European shareholdings (Moyo 2000, Government of Zimbabwe [GoZ] 2010). In the early 1990s industrial forest plantations (owned by the state and private capital) covered about 110,000 ha, with 16 private forestry plantations holding about 70,000 ha, owned largely by foreign companies such as Border Timbers, Mutare Pulp and Paper Mills and Allied Timbers (Bradley and McNamara 1993). Over 100 timber outgrowers existed by 1999 (Food and Agriculture Organization of the United Nations (FAO) 2001).

Some agricultural estates were owned by public trusts, such as the Development Trust of Zimbabwe (DTZ) which owned 385,000 ha (DTZ 2010) – the largest single entity owned on freehold tenure. Various schools and churches owned over 145,000 ha. Such public trusts engaged in commercial farming and realised profits which in theory were accrued for reinvestment into ‘development’. By 1999, the state held over 40 large estates, with the Agricultural Rural Development Authority (ARDA) holding 18 highly capitalised large estates, which produced commodities such as tea, wheat and cotton, while the Cold Storage Commission held 110,000 ha to rear livestock, for domestic and foreign markets, and the Forest Commission owned 44,830 ha of forest plantations. About 20% of Zimbabwe’s entire land included parks and indigenous forests held by the state since 1972 (GoZ 2009).

Altogether, large farming estates comprised over 273 establishments covering over 1 million ha (GoZ 2009) or about 4% of the national agricultural land by 1999, about 80% of which was privately owned. This extent of land concentration and foreign ownership in an individual country is relatively larger than the scale of foreign land grabbing that is underway in most African countries without a settler–colonial history (GRAIN 2009).

The FTLRP: land reform, popular land self-provisioning and elite grabs

The FTLRP evolved in the context of intense domestic political conflict, following the failure of market-based land reforms, the social reproduction crisis generated by a structural adjustment programme in the mid-1990s, succession struggles within the ruling party and the emergence of an opposition party, the Movement for Democratic Change as well as escalating foreign interventions in domestic politics and sanctions (Moyo and Yeros 2007, Sadomba 2008, also Raftopoulos 2009).

The FTLRP entailed numerous ‘illegal’ occupations of large farms by landless people, in a form of popular ‘land grabbing’ including some violent confrontations on the farms and in concurrent election campaigns. The state endorsed these occupations through structured legal–bureaucratic procedures to expropriate and apportion land to peasants, under an ‘A1’ Scheme intended for the landless and poor (Moyo 2005). Some elites also illegally occupied land, but most of them relied on state allocations to gain land in an ‘A2’ Scheme intended to create new middle-sized black-owned commercial farms. Between 2000 and 2006, state land expropriations bordered on (il)legality, as the land-acquiring authority continuously allocated land to beneficiaries following expropriations which were contested and faced incessant litigations by white farmers. The state enacted a law to protect the ‘illegal land occupations’ (in 2001), amended the land expropriation law (in 2004 and 2006), and amended the constitutional land clauses (in 2000 and 2005) to legalise land transfers within domestic jurisdiction.

4
The fast-track land redistribution expanded the numbers of small and medium-scale farmers, while diminishing the numbers and hectarages of large farms and estates (Table 1). Over 70% of the agricultural land is now held by over 1.3 million peasant families within the Communal Areas and among FTLRP beneficiaries, who hold below 30 ha each, combining arable plots ranging from 0.2 to 10 ha with grazing commons. About 20% of Zimbabwe’s farming land is now held by about 30,000 middle-scale farmers, including the 8000 pre-existing small-scale black commercial farmers and new beneficiaries, with land sizes ranging from 50 to 200 ha (Moyo 2011).

The larger capitalist farmers, allocated average land sizes of between 500 and 1000 ha by the state, comprise about 3000 individual farmers, operating on one-third of pre-2000 average larger-scale landholding sizes. Eighty per cent of these are blacks, including urban and rural-based professionals, public and private sector executives, other petty bourgeoisie elements and black capitalists. Despite the bimodal land reform design, these may be considered land grabbers! Their farms are differentiated in terms of capital intensity and hired labour. Some engage former white landowners as partners or managers, which some perceive to be a ‘fronting’ mechanism.

Social differentiation is evident within and between the peasants, middle capitalist farmers, and larger-scale farmers, based on differential access to means of production (inputs and machinery), non-farm incomes, private credit, and private and state subcontractual inputs and marketing arrangements, alongside tendencies to sublet land (Moyo and Yeros 2005). Expanded agrarian petty-commodity production imposes new structural conditions for capital accumulation, and the agrarian reform agenda, with competing demands for interventions ‘to enhance agricultural productivity and investment’ (Inclusive GoZ 2009). In addition to the potential trajectory of capital accumulation implied by this agrarian class formation, the retention of large farming estates preserve enclaves of accumulation from above and remnants of the colonial land grab.

**The reconstitution of estate farming after the fast-track land redistribution**

Zimbabwe’s land reform policy prior to the FTLRP was ambiguous about the subdivision and redistribution of existing large-scale agro-industrial estates, wildlife conservancies and forest plantations, and silent about creating new privately or publicly owned estates. Many of the estates were not located ‘near congested communal areas’, partly because they had been established in remote and previously ‘uninhabitable’ areas, and were buffered by smaller outgrower farms around them. This made them less accessible to ‘illegal’ land occupations. They were not prioritised for redistribution and their acquisition was more reactive to popular occupations than planned.

The economic logic used by policy-makers to justify retaining agricultural estates was their alleged superior (micro-economic) efficiency and productivity over small farms (GoZ 1998a; Tupy 2007). The advantages of ‘scale economies’, ‘efficient use of technology’ and preserving ‘bulky investments’ (such as infrastructure for irrigation and agro-processing) already ‘sunk’ into the estates were highlighted (Sukume and Moyo 2004). Subdividing the estates with their ‘integrated infrastructures’ was considered not only dysfunctional, but also a cause of disputes among new farmers (Utete 2003). Others argued that land tenure insecurity prevailed on the estates due to uncertainty over expropriation, and that this discouraged investment (European Union 2009). But the agro-industrial estates were considered by the state as critical to export growth, employment promotion and agro-industrial development (GoZ 1998b).
Table 1. Estimated landholdings by farmer groups: 1980, 2000 and 2010.

<table>
<thead>
<tr>
<th>Farm categories</th>
<th>Farms/households (thousands)</th>
<th>Area held (ha, thousands)</th>
<th>Average farm size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peasantry</td>
<td>700</td>
<td>98</td>
<td>1125</td>
</tr>
<tr>
<td>Middle farms</td>
<td>8.5</td>
<td>1</td>
<td>8.5</td>
</tr>
<tr>
<td>Large farms</td>
<td>5.4</td>
<td>1</td>
<td>4.956</td>
</tr>
<tr>
<td>Agro-estates</td>
<td>0.296</td>
<td>0.1</td>
<td>0.296</td>
</tr>
<tr>
<td>Total</td>
<td>714</td>
<td>100</td>
<td>1139</td>
</tr>
</tbody>
</table>

Sources: Adapted from Moyo (2011b), table 4.

Table 2. Estate farm landholdings after the Fast Track Land Reform Programme (FTLRP).

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Province</th>
<th>Number of farms</th>
<th>Number of firms/owners</th>
<th>Average 1999 size (ha)</th>
<th>1999 (ha)</th>
<th>2010 (ha)</th>
<th>Settled (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>Manicaland</td>
<td>17</td>
<td>15</td>
<td>1,271.50</td>
<td>21,616.00</td>
<td>3579</td>
<td>18,037</td>
</tr>
<tr>
<td>Mixed farming</td>
<td>Mash Central, East and West</td>
<td>4</td>
<td>4</td>
<td>20,264.65</td>
<td>81,058.58</td>
<td>15,221</td>
<td>31,879</td>
</tr>
<tr>
<td>Ranching</td>
<td>Mat South and Masvingo</td>
<td>5</td>
<td>5</td>
<td>153,908.50</td>
<td>767,570.60</td>
<td>600,897.00</td>
<td>166,674</td>
</tr>
<tr>
<td>Sugar</td>
<td>Masvingo</td>
<td>5</td>
<td>4</td>
<td>23,513.00</td>
<td>117,565.10</td>
<td>99,014.20</td>
<td>26,415</td>
</tr>
<tr>
<td>Tea</td>
<td>Manicaland</td>
<td>15</td>
<td>4</td>
<td>1,071.29</td>
<td>16,069.40</td>
<td>11,113</td>
<td>4956</td>
</tr>
<tr>
<td>Timber</td>
<td>Manicaland</td>
<td>3</td>
<td>3</td>
<td>26,612.30</td>
<td>79,837.00</td>
<td>76,590</td>
<td>3247</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>49</td>
<td>35</td>
<td>22,116.67</td>
<td>1,083,716.68</td>
<td>806,414.18</td>
<td>251,208</td>
</tr>
</tbody>
</table>

Source: Various Government of Zimbabwe records and field data. Mixed farming entails various crops and livestock, and sometimes wildlife. Settlers include whites who were outgrowers.
Around 2003 government officials and ‘stakeholders’ reviewed the FTLRP policy on forest estates and wildlife conservancies (GoZ 2004), and proposed ‘indigenising’ their ownership through redistributing their shareholdings rather than subdivision. Negotiated land reform processes (Zimbabwe Joint Resettlement Initiative (ZIJRI) 2001) were by then concerned with ‘saving’ highly productive and specialised farms involved in ‘strategic products’ such as seed, citrus, dairy and timber. The delisting in 1998 of large estates which had been designated for expropriation in 1997 had set this policy parameter with regard to agro-industrial estates (Moyo 1999). Thus, many estates which had been listed for expropriation during the FTLRP, including those ‘illegally’ occupied, remained on the expropriation lists but were not appropriated by the state.

Land redistribution during the FTLRP significantly whittled down the large-scale ‘foreign-owned’ estates, but retained many (Table 2). Most of the estate expropriations occurred in the Mashonaland provinces and Matabeleland, while smaller amounts of the core estate lands were expropriated in Masvingo and Manicaland. The white family-owned estates, involved in tobacco, livestock, wheat and grain production (e.g. the Charter Estates, Ariston Holdings, Nicolle Brothers in Mashonaland, and the Oppenheimer’s estate in Matabeleland South) were subdivided and redistributed. The core Triangle and Hippo Valley sugar estates retained almost all of their land. Mkwasine Estate lost all of its core estate of 16,643 ha, of which 9000 ha were allocated to A2 cane growers (with average plots of 30 ha), and the remainder allocated to A1 farmers. The tea estates in Manicaland lost over 50% of their estates, although over 1000 black outgrowers were already being promoted by Tanganda Tea Estates. Smaller sections of the forest plantations were expropriated and about 113 private and state plantations covering over 80,000 ha remained.

The white outgrower farms in the Hippo Valley estates in Masvingo had most of their land transferred to many smaller sized black outgrowers. By 2010 the 47 white estate outgrowers had been replaced by over 239 black outgrowers through an A2 sugarcane scheme, with an average plot size of 29 ha each, while only one white out grower with 61 ha remained by 2010. Altogether there were now 560 black sugar outgrowers with average plot sizes ranging from 10 to 30 ha.

The estates owned by public trusts were largely spared. Although some DTZ land was gazetted for expropriation in 1997 and again in the early 2000s, its transfer into state property for redistribution was stopped, ostensibly because it is owned by indigenous people (meaning black nationals). The DTZ was until 2008 subletting some of its land to 21 tenant graziers, including corporate entities, former white farmers and some elite black cattle owners, but it has ceded over 60,000 ha, while over 700,000 ha of the conservancies had been resettled (GoZ 2010).

Some of the expropriated large farmlands were allocated to ARDA, increasing the state-owned estates by five. Originally, this was justified on grounds of their capital-intensive infrastructure, which putatively required one large-scale operator. By 2010 the total hectareage held by ARDA decreased by 7150 ha to 115,601 ha on 24 estates (Table 3), as other ARDA estates were redistributed. ARDA still owns about 1% of the former LSCF lands and 0.5% of all farming land. However, other state parastatals, such as the Cold Storage Commission of Zimbabwe and National Railways of Zimbabwe, lost about 55,277 and 7099 ha (or 33% and 57%) respectively of their land, while various local urban and rural authorities lost over 30% of their land (17,222 ha). Conversely, security organs (defence, prisons and police) gained over 20,000 ha.

Altogether, therefore, the FTLRP led to a slight decline of state-owned farming estates of about 18%, while the area of estates and conservancies was reduced by over 26% and
76% respectively. It almost eliminated the independent sugar and tea producers (white outgrowers), but substantially increased the number of black outgrowers. The level of foreign ownership of land was substantially reduced, but retained among the sugar, tea and timber holdings, while the shareholdings of the conservancies were partly transferred to some black elites. The range of actors involved in estate and outgrower farming, conservancies and forestry has been diversified in terms of race, nationality and class, and public holdings. Thus, some concentration of land, water, wildlife and woodlands resources was retained to preserve large-scale, specialised and integrated enterprises, to meet the state’s wider development agenda.

Resistances and struggles against estate landholdings after the FTLRP

The large landed estates were always sites of fierce land struggles before and after independence (Murombedzi 1994, Moyana 2002, Hughes 2001), with the contestation going beyond farming land to include water (Hellum and Derman 2004), woodlands (Bradley and McNamara 1993), and wildlife (Wolmer 2003, Wolmer et al. 2004) resources. Wildlife was increasingly exploited for tourism by the mid-1990s, having effectively been privatised on white farmlands from 1975 (Moyo 2000). The retention of some large estates meant that land concentration continued to exclude some landless people and elites who aspired to gain land during the economic crisis. Thus various social forces in the different estate localities lobbied in different ways for their redistribution, leading in some cases to their belated subdivision for apportionment.

The formal politics of land was otherwise preoccupied with the black elites who had benefited ‘excessively’ from state land redistribution and inputs subsidies, although some organisations called for more farm workers, women and youths to be given land. ‘Security of land tenure’ among beneficiaries also became an issue, with demands for freehold tenure being largely a middle- and upper-class demand (Moyo et al. 2009). Whereas ZANU-PF

<table>
<thead>
<tr>
<th>Province/district</th>
<th>1999 estates</th>
<th>2010 estates</th>
<th>Area (ha) 1999</th>
<th>Area (ha) 2010</th>
<th>Commodity Land status 1999</th>
<th>Land status 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manicaland</td>
<td>6</td>
<td>6</td>
<td>81,523</td>
<td>69,870</td>
<td>Plantations/wildlife</td>
<td>Freehold/leased</td>
</tr>
<tr>
<td>Mash Central</td>
<td>2</td>
<td>2</td>
<td>2776</td>
<td>2776</td>
<td></td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Mash East</td>
<td>1</td>
<td>1</td>
<td>1024</td>
<td>1024</td>
<td>Dairy, wildlife</td>
<td>Freehold</td>
</tr>
<tr>
<td>(Goromonzi)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mash West</td>
<td>3</td>
<td>3</td>
<td>12,516</td>
<td>12,516</td>
<td>Ranching, wildlife</td>
<td>Leased</td>
</tr>
<tr>
<td>Masvingo</td>
<td>3</td>
<td>3</td>
<td>16,227</td>
<td>16,227</td>
<td>Plantations/wildlife</td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Masvingo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Midlands (Kwekwe)</td>
<td>1</td>
<td>1</td>
<td>3000</td>
<td>3000</td>
<td>Wildlife</td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Mat South (Mangwe)</td>
<td>1</td>
<td>1</td>
<td>1129</td>
<td>1129</td>
<td>Ranching, wildlife</td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Mat North</td>
<td>3</td>
<td>7</td>
<td>4556</td>
<td>9059</td>
<td>Ranching</td>
<td>Freehold, leased</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>24</td>
<td>122,751</td>
<td>115,601</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Various Government of Zimbabwe records.
incessantly pronounced the irreversibility of land redistribution, its rhetoric on the fate of large estate lands was vague. Meanwhile, civil society called for the ‘rationalisation’ of FTLRP land allocations through a land audit (Movement for Democratic Change 2004, 2007), but did not explicitly call for the redistribution of remaining estates, thus standing aloof of this distributional bias (Moyo et al. 2009). By 2005, the black elite were turning towards acquiring the shareholdings of unexpropriated conservancies under the indigenisation mantra, to the chagrin of landless people living around them.

At the peak of the FTLRP between 2000 and 2002, a large hectarage of the private estates and ARDA, DTZ and state parks lands was ‘illegally settled’ (Utete 2003). The focus of such occupation on the sugar estates was on the ‘white outgrowers’ farms, which physically shielded the core transnational corporation (TNC) estates. At Mkwasine estates, which already had black outgrowers, and in the tea and forest estates near Communal Areas in Manicaland, the illegal occupation of core estate lands became rampant. Interestingly, European Union consultants (European Union 2009) implicitly proposed the ‘reversal’ of the Mkwasine core estate’s land acquisitions (to bring it from 440 to at least 1000 ha), to enable it to supply the nucleus quantity of sugar required by its mills, putatively so that it could afford to rehabilitate the local railway and siding. In the end the core estate was further reduced to about 250 ha.

The GoZ was from 2003 discouraging popular ‘illegal settlements’ around the estates (Utete 2003). It did expropriate some of the plantation crop estates’ land as recommended from the provinces, but it focused more on redistributing individually owned large farms, and the mixed farming estates and ranches in Mashonaland, Matabeleland and Midlands. Indeed it did expropriate some of their unutilised lands, such as the 5000 ha ranching land belonging to Triangle Ltd (European Union 2007) and some unplanted ‘reserve’ land owned by Border Timbers (field observation). Some local authorities turned to ‘formally allocating’ estate land to ‘beneficiaries’, contradicting central government’s evolving land and agricultural investment policy, fuelling local grievances over foreign land ownership and highlighting the loss of an opportunity to finally redress this inequity.

Some of Border Timbers’ forest estates (48,000 ha) land had been ‘pegged’ for resettlement by 2001, but the Forest-Based Land Reform Policy, adopted in 2004, brought a moratorium to ‘illegal’ timber estate occupations. The state’s Forest Commission of Zimbabwe (FCZ) actually evicted the occupiers, who sought acceptance as formal outgrowers, promising to prevent new land invasions.

About 4255 local peasant families had continued to occupy DTZ land ‘illegally’ (Ministry of Lands and Rural Resettlement [MLRR] 2009), although this included about 2000 families who are expected to be displaced by the construction of the Tokwe-Mukorsi dam, which will supply water to numerous estates. About 232 families among those ‘illegally’ settled on the DTZ land claimed to have been officially allocated it under the A1 scheme, while about 23 new farmers held A2 land offer letters (allegedly provided by GoZ officials) for the DTZ plots they occupied. The police ended up arresting eight ‘illegal land occupiers’ for assaulting a policeman and Ministry of Land and Rural Resettlement (MLRR) officials, who tried to evict them (Newsdays 2010). Central government ‘mediated’ the dispute between DTZ, the Masvingo Rural District Authorities and the land occupiers over land to be ceded by DTZ to some settlers and encouraged the MLRR to find alternate land for the others. Masvingo province wanted 150,000 ha of the DTZ’s land for redistribution, while the DTZ offered about 60,000 ha to accommodate the land demands (MLRR 2009).

By 2009 most of the conservancies had been occupied by Communal Area residents, with over 10% of these lands ‘settled’ by about 20,000 families who resisted government
evictions (MLRR 2009). Besides the private conservancies, Public Parks and Forest Lands, including Gonarezhou Park in southeast Zimbabwe, were also occupied (Wolmer 2003, Wolmer et al. 2004). Numerous half-hearted attempts by the Parks Authority to evict them failed. Local government administrators and central government officials remained at loggerheads over subdivision of conservancies for redistribution via the shareholding redistribution or indigenisation policy.

Disputes also arose between the GoZ and some former owners of the conservancies. The latter were claiming compensation for the expropriated land and fixed improvements, as well as wild animals which they considered their ‘movable’ private assets, with a market value. State officials argued that the natural resources (including wild animals) on LSCF farms were public property, and that wild animals would constitute part of the share-holdings of black entrants into the conservancy partnerships with former landholders (GoZ 2004). By 2010, about half of the conservancies’ shareholdings had been allocated to blacks, including some ‘belonging’ to ‘other’ provinces. This fuelled an intra-elite class struggle for access to shares coloured by ethno-regional sentiment (Moyo 2011b), as provincial politicians and businessmen competed for such shareholdings amongst themselves and against ‘outsiders’. Meanwhile some excluded landless people and black middle-class people perceived the retention of conservancies as prioritising animals in a tourist industry dominated by white and foreign operators, to their disadvantage.

The scale of publicly owned agricultural estates’ land and natural resources remains extensive enough to be considered to deprive some landless and poor families of access to land and autonomous ‘livelihoods’. Their legitimacy depends on improving public well-being through profit-sharing with communities, improving the availability and popular access to food at affordable prices, and providing ‘decent’ work (also Moyo 2011b; Borras 2005). The very existence of state-owned estates was always contested, because it arose from colonial land grabbing, the perceived corruption and incompetence at ARDA estates, and more recently the perceived ‘negative reputation’ of local white investors. Moreover, apparently a few black (and white) elites, including some state officials, use some of the Cold Storage Commission’s (CSC’s) and ARDA’s underutilised grazing lands for their private livestock. The potential redistributive public benefits from the ARDA estates had not yet materialised by 2010, since most of them remained under-utilised until 2008, due to various constraints.

Recently, Communal Area farmers in Chisumbanje and Chipinge areas of Manicaland alleged that the ARDA sugar plantation was encroaching on their territory and disregarding boundaries, despite protestations from villagers and traditional leaders (Sunday Mail 2010). There was uncertainty over the welfare of numerous peasants in Musikavanhu and neighbouring villages, who feared loss of ‘their land’ to ARDA investments (Mujeyi and Moyo 2010). The GoZ was reportedly assessing the compensation due to villagers who were being affected by this ARDA Ethanol project (The Herald 2010a).

Farmers’ organisations representing the new black sugarcane outgrowers in Chiredzi soon emerged, as race-based struggles between new black and former white outgrowers escalated. The latter contested the rights of the former to existing sugarcane crops, irrigation facilities and services from the core estates, and had litigated to stop payments to the new farmers for their cane crop sold to the Chiredzi sugar mills. They also continued to litigate for repossession of ‘their’ land. The black outgrower association resisted this. Later they challenged the European Union aid policy of only supporting the holders of ‘uncontested’ land (i.e. excluding redistributed plots), the methodology proposed for the proposed National Land Audit, and the European Commission-funded National Sugar Adaptation Strategy, intended to redevelop the sugar industry, since they felt it marginalised them.
Struggles over access to water for irrigation, which the remaining large estates currently dominate, also raised wider regional and institutional questions, beyond the TNC estates and new sugar outgrowers (European Union 2007). A future scramble for water is expected, and it involves the private sugar estates, outgrowers, the DTZ estate and the ARDA estates, as well as other new black farmers upstream and downstream, given their expansionary plans.

A new agrarian politics, based on class, race and ethno-regional cleavages, is brewing around the reconstituted estate farming sector, as demands for access to land, water, wildlife and woodlands resources have broadened. It involves pervasive pressures placed on the state by international and domestic capital, new black and former white large farmers who envision expanding the agro-industrial estates and conservancies for elite accumulation, and various classes opposed to this. Meanwhile, wider inter- and intra-class struggles among blacks over the control of redistributed and retained lands have the potential to escalate, as more ‘elites’ seek to gain access to land or to enlarge their landholdings, including on the estate lands and public parks, at the expense of the landless and smaller farmers. In some localities these struggles assume an ethno-regional character. Yet the state has increasingly justified the retention of large estates through a broader agro-industrialisation campaign discussed below, which has emboldened it to ‘attract’ more foreign investors into estate farming.

Not surprisingly, dominant media and non-governmental organisation discourses focus their protests on the absence of transparency and accountability in the negotiations over the investment deals on DTZ and state-owned estates. This is an important concern, which has not yet been examined in terms of developmental goals. Criticism is also correctly placed on the governments’ callous eviction of some ‘illegal settlers’ on the ARDA and DTZ estates, alongside its failure to eradicate multiple farm holding in general and to ensure the equitable redistribution of the shares of remaining estates. Few have called for the redistribution of remaining private estate lands, nor commented critically on the accumulation strategies and exploitative practices of remaining foreign and state-owned estates.

**Estate farming and renewed developmentalism during the FTLRP**

The reconstitution of large-scale estate farming and wider agrarian reform during the FTLRP period was structured by the imperatives of a changing agrarian structure, and its competing accumulation strategies, and an increasing crisis of social reproduction, in the context of the deteriorating economic situation, exacerbated by sanctions, which limited access to multilateral concessional loans, leading to a balance of payments crisis. Agricultural production had declined rapidly but variably from 2002, and agricultural inputs supplies were diminishing, while food prices rose sharply (Moyo 2011b), highlighting the transitional decline of production that is expected after relocative land redistribution, but which in Zimbabwe’s case was prolonged (Moyo and Yeros 2007, Moyo 2011b). By 2003, the state had adopted various heterodox economic plans (National Economic Development Priority Programme [NEDPP] 2006, Moyo and Yeros 2007) replacing the Economic Structural Adjustment Programme’s (ESAP’s) liberalisation with state interventions. These were aimed at a more auto-centred inward looking strategy, in order to address the fuel and food shortages and import price hikes, improve domestic production and access to credit, conserve foreign exchange through capital controls and tame escalating inflation. Agricultural policy was focused on ‘Command Agriculture’ (GoZ 2003), which sought to direct agricultural production towards set targets, largely through subsidised state inputs and credit, price and agricultural commodity market controls and trade protection.
The GoZ compelled and persuaded capital through various policy measures to support the new farmers, while appealing to the patriotism of the latter to prioritise food production for self-sufficiency. Farming increasingly depended on state finance and credit, although capacity to subsidise inputs and outputs marketing was limited (Reserve Bank of Zimbabwe 2007). The printing of money and state purchases of foreign exchange on parallel markets escalated, including subsidies for agriculture, but this fuelled hyperinflation. The GoZ escalated price controls between 2005 and 2007 by arresting managers of non-compliant firms, but capital withdrew goods from formal markets, while private supplies of agricultural inputs and credit continued to dwindle. The GoZ also sought to influence production on the large private and public agricultural estates towards expanding food and agro-fuel production, partly by ‘allowing’ them to retain their land and to incorporate more black out-growers into their enterprises. Some remaining estates and LSCFs responded positively to this, *inter alia* to avoid being perceived as undermining land reform and supporting ‘regime change’. From 2007, contract farming was encouraged (e.g. Chinese tobacco contracting and some remaining pre-2000 agricultural merchants) through new export earnings retention incentives. These policies however only shored up agricultural production to an average of below 50% of the pre-2000 peaks (Moyo 2011a), although by 2010 oilseeds, tobacco, sugar beans and cotton production had reached 60%, 65%, 90% and 80% of the pre-2000 average levels (Moyo 2011).

In practice, the decision to preserve some estates was influenced by declining food and agricultural exports production and rising imports, particularly after the 2002/3 drought, and increasing world prices of imported food grains and the proposed use of large state-owned estates to fill the production gap, as well as rising oil prices from 2001, as national import cover declined. This generated government debates on selective land expropriation and by 2006, a renewed import substitution industrialisation strategy was emerging. Aimed at reducing fuel imports through local agro-fuels, cutting food imports and dependence on food aid, it was also in defence against sanctions from the west. By 2007, the state was courting new foreign ‘investors’ and domestic capital towards financing production on public farming estates, while in 2008 a neoliberal strategy was adopted to liberalise the currency, trade and agricultural markets, and to attract foreign investment.

### Production trends on the farming estates after FTLRP

The production of plantation crops on private estates had experienced limited decline until 2005, but following hyperinflation between 2006 and 2008 they fell by about 50% of the pre-FTLRP levels (Table 4). Sugar outputs, of which 70% were produced by the core estates, had declined by over 30% in 2010.³ Thirty-eight per cent of the 450,000 tonnes

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1990s average</th>
<th>2001/02</th>
<th>2005/06</th>
<th>2009/10</th>
<th>2010/11 (estimated)</th>
<th>Percentage home market, 2010 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>439</td>
<td>580</td>
<td>446</td>
<td>350</td>
<td>450</td>
<td>80</td>
</tr>
<tr>
<td>Tea</td>
<td>15</td>
<td>12</td>
<td>22</td>
<td>12.0</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Coffee</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>0.3</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Citrus</td>
<td>90</td>
<td>123</td>
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of sugar produced in 2006 was being exported, compared with 53% being exported in 2002 (European Union 2007). Tea output, of which 95% is exported, had declined by about 40% in 2009/10, mainly on the core estates which had been providing 86% of the commodity, with the rest produced by about 100 white and black outgrowers and ARDA’s Katiyo estate. Coffee declined by over 97%, having been dominated by the estates and white outgrowers.

The sugar production decline was allegedly due ‘to the effects of the Land Reform process and to a lesser extent the effects associated with the present economic and inflationary conditions in Zimbabwe’ (European Union 2007, p. ii). Since production had declined mostly among outgrowers, the volatile currency markets and inflation had led to reduced supplies of subcontracted inputs to them by the estates. Sugar export prices were also deteriorating with the European Union reforms leading to a 67.5% reduction of raw sugar prices between 2005/06 and 2010 (European Union 2007), while the prices of imported fertilisers and transport fuel rose during the period. There was a slight shift in land use by black outgrowers away from sugar towards food production for family consumption and sales, and by 2006 they increasingly focused on maize, millet and beans, vegetables and cotton (Scoones et al. 2010, European Union 2007). However, by 2011 overall sugar production on the estates and among outgrowers was recovering, reaching about 65% of their 2002 output (Reserve Bank of Zimbabwe 2011).

Soon after 2001, exotic timber-producing companies (e.g. Border Timbers) stopped planting new trees, apparently because the ‘illegal land occupations supported by big politicians’ had brought uncertainty to their land tenure (Abu-Basutu 2010). Timber (sawn) outputs decreased from 374,779 m³ in 1998/99 to about 194,181 m³ in 2008/09, with over 90% of this coming from the core estates (Timber Producers Federation 2009).

The FTLRP did not directly lead to a substantial loss of formal waged agrarian labour among the estates because most of their core production land had not been redistributed and they also retained most of their permanent workforce. When high inflation reigned, however, estate labour wages deteriorated further, as plantation commodity prices fell and labour shortages increased (Chambati and Moyo 2009). Agrarian reform had not fully overhauled exploitative large-scale agrarian labour relations.

By 2002, production at the ARDA and CSC estates had declined substantially. ARDA attempted to revamp its agricultural production, first by expanding the area under various seeds, wheat and maize, based on cheap credit and foreign exchange allocations, supplied by the Reserve Bank of Zimbabwe. ARDA in ‘alliance’ with the Nuanetsi Ranch owned by DTZ and Masvingo province authorities, began in 2003 to clear some DTZ lands for maize production through a state-supported contract issued to a Chinese firm. These initiatives floundered due to inadequate financing. Around 2005 the Reserve Bank of Zimbabwe was contracting locally based food-processing and inputs-supply agribusinesses (e.g. National Foods, INNSCOR, Chemco, Seedco etc.) to produce seed, wheat and oilseed. This also floundered due to disagreements over product pricing and profit sharing, since agribusinesses invested little of their own cash, but made profits from ‘free’ state land and financial subsidies (National Economic Recovery Council (NERC) minutes, 2006). The GoZ’s attempt to turn around production on ARDA and DTZ estates, through annual domestic land leases and subcontractual production relations had not succeeded. Moreover, the expansion of production on these estates required the repair and construction of new dams and irrigation infrastructure, which it had failed to secure local financing for, leading to a rethink of the land utilisation strategy on hitherto insufficiently utilised public estates.
New foreign investments in estate farming

In this situation, the recovery of agricultural production on the large private and public farming estates increasingly relied on foreign investments. The export-oriented production of the foreign estates lingered on. They planned to increase sugarcane production to 1 million tonnes per year, based on cropping 30,000 more ha (on top of the 45,000 ha owned by the estates and outgrowers), to meet Zimbabwe’s European Union quota and other markets in the context of the Economic Partnership Agreements (EPAs) under the ACP-EU Lomé Convention. The European Commission offered aid towards a National Sugar Adaptation Strategy, which proposed to leave the home market with 28% of such output and to export the rest. ‘Dollarisation’ in 2008 created even more ‘incentives’ for increased external financing of the foreign estates’ sugar export plan, backed by European Union aid and private domestic bank credit, despite the decreasing price of exported sugar, which consumes much of the scarce national water supplies, vis-à-vis domestic food and agro-industrial raw material needs.

The search for new foreign financing for agriculture had since 2002 focused on new loans and barter deals, and tentative negotiations on the forward sales of mining concessions, largely to import agricultural inputs and machinery, whose direct provision by the GoZ was central to ‘targeted production’ (Moyo 2011a). Foreign ‘investors’ were being encouraged by 2004, under the Look East Policy (focused on the Chinese) to engage in subcontractual buying of tobacco and cotton. Substantial Chinese state trade credit to import fertiliser, agricultural chemicals, tractors, generators and pumps was realised from 2006. Other foreign capitals, including from Russia, Indonesia and Malaysia was from 2007 being brokered by white domestic capital to invest in the public estates.

By 2009 ARDA had signed a 20-year joint-venture agreement with two private Zimbabwean companies (Rating Investments Ltd and Macdom Investments Ltd, owned by local whites and blacks), to lease over 50,000 ha of ARDA’s Middle Sabi and Chipinge estates, in a build, operate and transfer scheme, intended to establish 40,000 ha of sugarcane and revive the irrigation infrastructure within eight years, and later to develop 10,000 more ha (The Herald, 2010b). A two-year rent-free grace period was provided for, ostensibly to allow the sugarcane to gestate, while some outgrowers are to be contracted to supply sugarcane. Construction of the US$600 million sugarcane to ethanol distillery plant with a capacity to produce 35,000–40,000 litres/day (GAIN 2010) through another foreign ‘investor’ (Green Fuels (Pvt) Ltd) was underway. By the end of 2010, over 3000 new ha of sugar were being reaped for processing at Triangle Ltd Mills, while ARDA’s ethanol processing begins in early 2011. No share was provided for the peasants from the adjacent Garahwa Communal Lands, who originally owned the land, while those deemed ‘illegal’ occupiers of that land were being evicted.

In 2008, the DTZ leased over 140,000 ha of its land to a joint firm between DTZ and Custa Pvt Ltd, called Zimbabwe Bio Energy (ZBE) project. Custa (Pvt) Ltd, which is owned by a large white Zimbabwean capitalist (Billy Rautenbach) and foreign investors (from Russia and Spain) holds 70% of the shares, and had invested US$15 million. About 100,000 ha are dedicated to sugarcane production towards producing 500 million litres of ethanol per year, the rest of the land is intended to increase cattle from 5000 to 25,000 head, as well as to increase its 100,000 crocodiles to 300,000 by 2012. Over 2000 employees were taken on by DTZ. This deal led to the non-renewal of the DTZ’s grazing leases with black elites and unsuccessful attempts to evict ‘illegal’ land occupiers, since central government has pressed the
DTZ to allow 263 settlers to retain some land, dissociating itself from dispossessing this constituency.

Unlike the private sugar estates, the government’s plan is to resuscitate and expand ethanol and agro-industrial raw materials production. Triangle Ltd stopped producing ethanol for petrol blending in 1992, but in 2006, the GoZ’s National Oil Company of Zimbabwe (NOCZIM) contracted Triangle Ltd to supply it with 20 million litres of ethanol (European Union 2007). Thus, in addition to Triangle Ltd’s supply of ethanol for industrial, potable and pharmaceutical requirements, and other sugar by-products, including molasses and bagasse, ingredients for yeast, carbon dioxide, livestock feedstock and fertiliser substitutes from vinesse. While generating more electricity generated at the mills, the new foreign investments are meant to triple these industrial inputs. Sugarcane production for agro-fuel will soon dominate foreign investments in the south-eastern region’s estate lands, which are expected to produce 90% of Zimbabwe’s agro-fuels on over 150,000 ha by 2012. Thus, the substantial reorientation of estate production towards substituting domestic transport fuel imports with agro-fuels runs counter to the European Union’s extroverted strategy. Although the ecological benefits of this are not yet calculated, and foreign investment is still relatively low, reducing fuel imports and local agro-industrial capacity and rising agricultural outputs create scope for some national sufficiency.

The liberalisation of the foreign exchange market, capital account and trade, as well as political stabilisation and the reversal of hyperinflation, were by late 2009 leading to increased domestic agro-industrial processing from capacity utilisation levels of below 20% to over 40% (Ministry of Finance 2010). Some foreign export crop merchants had returned, while formal cross-border trade increased the imports of foods, beverages, farm inputs. Local agricultural products soon faced stiff ‘competition’ from cheaper (genetically modified and duty free) imports from South Africa, Brazil, China and the ‘West’, leading to new demands for protection. After two years of good rainfall the production of maize, cotton, small grains and tobacco were rising, while wheat and oilseed outputs remain in substantial deficits (Ministry of Finance 2010, Reserve Bank of Zimbabwe 2011). Speedier recovery remains constrained by limited accesses to private credit, related to low levels of liquidity and associated high interest rates.

The gradual recovery of plantation crop (sugar and tea) production on the estates and their outgrowers suggests that deepening neoliberal policies enable the foreign estates to reinvest and borrow locally to finance expanded production more readily, while continuing to control the sugar and tea ‘commodity chains’. The retention of estates owned by the state and public trusts was intended to simultaneously counter agricultural production deficits and import dependence, while extending the state’s capacity to direct development towards an articulated trajectory, including increased local beneficiation of agricultural raw materials and agro-industrial growth. Full-scale agricultural production recovery is however yet to be realised.

The scale of social and ‘developmental’ benefits that can be expected from the increased profit sharing and products that are expected from new foreign investments into the public and private estates are as yet unclear, but trading these off against deeper land redistribution is certainly not generally popular. The overall goal to shore up the sanctioned state’s relative autonomy from ‘Western’ capital and the Bretton Woods institutions has also not been fully realised (various interviews). This vision of state accumulation and autonomy, alongside nurturing a national bourgeoisie, was also pitted against less influential provincial contestations of estate land ownership, reflecting local political and business leaders’ desire to control sub-national accumulation processes.
Conclusions

Substantial areas of large-scale foreign and state-owned agricultural estates were retained, despite the extensive fast-track land redistribution process. This was in the context of increasing prices of imported foods, fuel and farm inputs, and slow agricultural production recovery, as well as economic sanctions. The state justified the retention of large agricultural estates through a developmentalist narrative, including the ‘indigenisation’ of the shareholdings of foreign-owned firms, to sustain import substitution and agro-industrial recovery, alongside broad-based agricultural production among differentiated land beneficiaries, while reintroducing neoliberal ‘incentives’ to promote increased agricultural production. While the private estates are resuscitating their export sugar, timber, tea and wildlife operations and the state estates lead new agro-fuel production to supply the home and foreign markets, overall agricultural recovery has been slow, albeit faster among exports such as tobacco and cotton, suggesting continued dependence on foreign capital and speedier global reintegration. This agrarian accumulation outcome, also underwritten by exploitative agrarian labour relations, faces cheap food imports and open foreign exchange markets, thus reinforcing the neoliberal leaning of the Zimbabwean economy, although it provides marginal room for state intervention in domestic markets. The persistence of land concentration under foreign, multiracial domestic capital and state ownership – at the expense of more comprehensive redistributive land reform – continues to be resisted, including through popular ‘illegal land occupations’ and intra-elite ethno-regional advocacy, which sections of the state condone. In historical perspective, however, even this relative retention of land concentration, with all its contradictions, places a brake on foreign-led land grabbing and inequality, offering scope for further land struggles in a former settler-colony.

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Notes

1. Eight of these estates comprising 52,264 ha were leasehold lands belonging to Communal Areas.
2. Nine European countries held 65% of these farms while US nationals, Malaysia, Indonesia and South Africans held 33%.
3. Notable are the Openheimer, Nicolle and Moxon families, and Charter Estates’ families (Moyo 1998).
5. Sugar contributed 1.4% gross domestic product, US$65 million foreign exchange earnings and employed 25,000 in 2005 (European Union 2007).
6. Two sugar millers-cum-planters at their peak in 2002 produced 580,005 tonnes of sugar.
7. NERC meeting minutes, 8 May 2006, held in Munhumutapa Building, Harare.
8. The National Biodiesel Production Programme (GoZ 2007) promotes agro-fuel production from jatropha for the remaining annual agro-fuel requirements on 120,000 ha of small producers’ land. A total of 60,000 ha have been planted; interview with E. Mushaka, Noczim, 2010.

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BRIEFING

Egypt: a permanent revolution?

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The 25 January revolution has changed political life for good, but it will only be successful if it can link the tremendous struggle over rights and representation with economic growth that provides jobs. (Ray Bush)

Finally, and only after being pushed hard by permanent demonstrations, Egypt’s generals caved in to pressure for serious constitutional reforms as a first step towards the possibility of democratic deepening. Yet the recent overwhelming support for proposed constitutional amendments – 77.2% voted for proposed amendments in March – has not settled fears of counter-revolution or a return to office of erstwhile ruling National Democratic Party cronies. The constitutional amendments limit presidential terms to two each of four years, in contrast to the previously unlimited number of six-year terms. And it will be easier to mount a challenge to run for presidency. However, opponents to the amendments, from the left, Nasserists, youth coalitions and Copts, have argued that they are premature and that the 1971 Constitution should have been abandoned and entirely replaced. The possible continued presence of members of the old regime raises concerns about just how serious the military is in ridding the country of the economic elite that has destroyed Egyptian livelihoods for the last 30 years. These fears intensified at the end of February as the Egyptian interim cabinet approved a decree-law criminalising strikes, protests and demonstrations, including sit-ins that ‘interrupt private or state-owned business or affect the economy in any way’.

After such an historic revolution, this may not be the time to be curmudgeonly. Attending the biggest party I have ever been to in Midan Tahrir in March was exhilarating and joyful, full with expectation and real hope. It has been more than 20 years since I began visiting and studying Egypt’s political economy. I have often made annual pilgrimages to Cairo’s wonderfully vibrant, yet repressive and challenging city, and I have witnessed attempts to transform the countryside by destroying benefits Nasser gave to tenants and other smallholders, as the NDP decided instead to return land to landowning allies. Many of the landed elites were in the corrupt parliament, so voting for rural (dis)possession was easy. If tenants have been impoverished, then nouveau riche, mostly young and assertive investors have taken advantage of cheap (and corrupt) land ‘sales’, free water for high-value and low-nutritional foodstuffs for export rather than the promotion of local food security. The destruction of Egypt’s environment by agribusiness stripping the country’s valuable top-soils became de rigueur. Yet these processes, among many others, have been contradictory in their outcomes. After most of my

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visits I would usually feel that Egypt would be unable to stay the same for more than 24 hours, and yet simultaneously I would have the feeling that the country would remain the same for a great many more years. Conflict, inequality and injustice were so evident alongside demonstrations of enormously opulent wealth, and struggles for economic and political transformation have always been evident.

The 25 January revolution has changed political life for good. Things will never be the same, even if the military seems unable or unwilling to gauge properly the mood of the country and ensure more swiftly a complete exorcism of the ancien régime. There is a revolution underway and it is a process that will go beyond the removal of Husni Mubarak from office. After 30 years of social and political stagnation that systematised brutal repression of rights and people’s dignity, and which helped to sustain intense poverty and the manipulation of religious prejudice, there is now a chance to promote an ambitious and transparent ‘root-and-branch’ reform programme. The 25 January opened a dam of pent-up resentment and frustration. That could easily have been funnelled into violence and envy, counter-brutality and revenge, yet that was only evident when NDP thugs entered the fray as the robber baron regime tried to cling to power. The revolutionaries, from all walks of Egyptian life, young and old, middle class, small farmers and destitute, workers and elderly, demonstrated confident self-controlled maturity of protest. Continued protest until remnants of the old guard are thrown away remains necessary and should receive not only local support, amid an understandable irritation by a few that the ‘normal’ life of tourist trade and small business is disrupted. But these demonstrations need also international solidarity and support. The buzzards of the European Union, United Kingdom and United States are circling, and many have landed, to establish an understanding of just what has been happening in the country of such geostrategic importance and historical ‘stability’. Caught out by the splendour of revolution, Egypt’s allies in the international community have been busy playing ‘catch-up’. This applies especially to the United States. Why is Washington’s intelligence in the region so poor and outmoded, and why could not the (relatively) new broom in the White House grasp the nettle of real democratic transition rather than elevate concern with stability and defence of its Israeli ally? Tel Aviv is challenged by democracy on its doorstep, and the United States will have trouble in its historical strategy of determining the outcome of political transition without being seen to do so.

The revolution will have lots to say about Egypt’s regional presence. It will live with an Israeli neighbour that is peaceful and democratic, that respects Arab citizens of the Jewish state and abides by international law including complete withdrawal from Palestinian territory occupied since 1967. The revolution can legitimately question why the Camp David agreement benefited Israel financially and militarily more than Egypt, and the revolution can certainly question why Mubarak’s regime became the jailor of the Gazan concentration camp.

Domestically the agenda is long. Already people have shown greater respect for each other than was much in evidence with Mubarak’s bestial regime. The revolution demands a more open and democratic public sphere of mutual respect; this agenda has been driven by all demonstrators, not only the youth that has so captured media imagery. Without doubt, the youth demand and deserve a respect that is at odds with a moribund age set of deference (unearned), which helped structure a non-participatory political culture and at its worst was captured by the patronising stupidity of Mubarak and Omar Suleiman during the height of the revolution. High on the agenda is clearly the establishment of a rule of law,
Habeas corpus and the removal of systemic torture from Egypt’s landscape of law and (dis)order. This will not happen immediately, as the chain of command in all police stations will need recasting in customs that will simply not be understood by many force commanders. The rights debate will need more than just a new minister. The idea of inherent human rights – that people are innocent until due process has found them guilty of whatever they may be charged with – and the complete judicial and civilian oversight of the police, will be just a beginning, but one that is essential to safeguard revolutionary gains. If the police needs reform, new training, skills and knowledge as well as raised salaries for rank-and-file officers (reducing the incentive for bribery and links with local gangs), then the security services need to be closed as announced by the temporary government in March – but what will replace them, how will they be supervised, and by whom? Security services are important in all democracies to ensure that legitimate opposition does not become converted to military insurgency; but security and police forces will need to internalise that they operate to defend the Egyptian people, not the Egyptian regime. Only when the forces of law and order are so reformed will it be likely that political opposition emerges free from infiltration and dirty tricks, and mutual respect unifies people with a security agency that defends all Egyptians. There is thus no role for the amil dawla or muhabarat in the new Egypt, and the sooner this is affirmed the better. After all, it was the awful actions of these forces over more than a generation that partly drove the unprecedented mobilisation to Tahrir.

Of course Egypt’s revolution will only be successful and more easily defended if it can link the tremendous struggle over rights and representation with economic growth that provides jobs. Egypt’s economy has grown by about 5% in real terms each year since 1980. It is the ambition of all developing countries to achieve such a level of growth, especially where it outstrips the increase in population. Yet sustained economic growth singularly failed to deliver employment and poverty reduction. The NDP robber barons were successful in rewarding themselves – real estate, land, cement and steel, and of course the military too – after all, did not the military get its ‘toys for the boys’ to a value of US$1.3 billion per annum from the United States, as well as guarantees for its own enormous business ventures in land, real estate and manufacturing? But urban and rural poverty – the abjection of the majority of Egyptians from the wealth that they have produced – is the biggest indictment of the last 30 years. At best, Egypt has developed but Egyptians have not! Unemployment levels might be as high as 50%, food inflation of 20% accelerates poverty and child hunger, and bread riots around the bakeries of Cairo in 2008 were an early indicator of tipping points to come.

It is no longer popular to talk about ‘class’ in the Middle East (or anywhere else perhaps), whether the working class or the peasantry or fellahin, but it is these social classes that produce Egypt’s wealth. The financial and service sectors may have grown in the last 30 years, but the wealth generated from speculation remained in the hands of the economic elite and not with the country at large. The NDP not only ignored structural impediments to growth, namely the high dependence upon rent – from Suez, labour remittances and oil and gas, but it ensured that its cronies would benefit from kickbacks from contracts linked to construction and land deals often in the rentier sectors. And revenue that accrued from such skulduggery was used only for conspicuous consumption or more real-estate construction that the vast majority of Egyptians could not even dream of occupying. It is one thing to say that market capitalism and economic liberalisation has given Egypt the greatest opportunity to
boost livelihoods and well-being – the mantra of Gamal Mubarak, especially after Ahmed Nazif's administration in 2004. It is quite another to provide evidence of how the market economy has ensured the trickle-down of growth rather than the funneling up of wealth to the already mega rich.

If and when the dust begins to settle down around the political transition, it is in the economic arena of sustained economic growth with justice that the revolution may stand or fall. More than 40% of Egyptians live on less than US$2 a day. It is probably a much higher percentage than that, and possibly even as high as 80% in some rural areas. That would make Egyptians poorer than Zimbabweans – not a comparison many would immediately consider. But this is the depth to which the NDP and the Mubarak tribe took the country. The way they set thugs on Egyptians and destroyed their own party offices suggests there was also an orchestrated plan to 'burn Cairo', legitimising perhaps a more aggressive military intervention to defend the country.

It is going to take great care to dig Egypt out of the pit of economic crisis and to do so with justice and equality. The first step will require Egyptians to see that there is indeed a crisis, and to construct a genuinely national participatory political system. The World Bank and other international agency love-affairs with headline growth figures veil inequality, uneven development and accelerated social unrest. The long-term crisis began with economic reform in 1991 (1987 in the countryside) – reform heralded by the international community that fostered robber-baron capitalism. The medium-term crisis lies in the pivotal working-class and trade union unrest that has provided strong roots for the revolution. More than a million workers and their families have been involved in industrial actions since 2004, and the Mahalla revolt in 2006 involving 28,000 workers was a clear signal to all but the most illiberal government that kefaya (enough) really was kefaya. The vibrancy of worker unrest and the challenge to confront nineteenth-century working conditions has not been lost on the fellahin. It is likely that at least 300 farmers have been killed in 2010, with 1500 injured and 1700 arrested following rural struggles over access to land, boundary demarcations, struggles against dispossession, and other disputes with landowners and police. The politicisation of land is at a level greater than any time since Nasser, and it is an issue that the future minister of agriculture will have to address with care and attention to redressing rural poverty and how it has been sustained by dispossession of smallholders and accumulation by land owners.

Addressing all these themes will depend on the revolution being sustained, on the coalition of youth continuing to broaden their excellent and profound grasp of the realities underpinning wealth and inequality, and building links between urban workers and rural smallholders. This will require permanent revolution, permanent dissatisfaction with the status quo and of course vigilance against counter-revolution. It will also need to be underpinned by a new system of education in Egypt that values not only the core principles of literacy and numeracy, and their delivery in the classroom without violence or sexual harassment. And the challenge of promoting a gendered politics of equality and critique of patriarchy was exemplified in March. As the military cleared Midan Tahrir, female protesters were seized, incarcerated in the nearby cellar of the Egyptian museum, and subjected to ‘virginity’ tests and other torture. If the revolution has begun to legitimise the importance of challenging all information and to question everything that is presented especially by government, it clearly has a long journey still to travel, and debate about that journey will need to go beyond shuffling of political chairs to the construction and
permanent revolution of social and economic transformation.

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Introduction
The ‘imperial reach’ represents a real threat to the popular opposition movements exploding throughout the Middle East and North Africa. The dangers exist not just in the ongoing military interventions via a United Nations-authorised turned NATO-enforced No-Fly Zone in Libya, with Western powers taking an active role, but in internationally legitimated knowledge production and funding that fuel and make invisible the neoliberal agenda. The imperial reach extends throughout the region and attempts to monopolise ‘at home’, in an effort to maintain geopolitical relations of power.

For this essay I define this effort in three broad ways: Western governments and observers defining the ‘Arab Spring’ on their own terms, especially in naming responsibility for the social uprisings in one way or another that comes back to the West (or as preferences may be, the ‘Euro-Atlantic axis’), and maintaining a ‘monopoly of expertise’ (Mitchell 2002). This effort of claiming and co-opting is funnelled squarely to prop up the neoliberal agenda that has brought to the region much of what the movements have risen to reject – a revolving door between wealthy businessmen and ruling party members, monopolistic and oligopolistic economies, rising food and housing prices, slashed wages/prices and protections for workers and farmers, dropping standards of living with weakened public welfare programmes, heightened restriction of rights and liberties (‘reign of terror’) – to name a few resulting societal ills. And the ‘assistance’ announced thus far by Western governments for democratic transitions in the region is more of the same of what has been ‘offered’ for the last three decades – pre-packaged, trickle-down prescriptions of private-sector growth.

This indeed seems like an opportune ‘time of shock’ for the further implementation of neoliberal reforms, just as such prescriptions have been more widely questioned as a result of the ongoing triple crisis (financial–climate change–food). I argue that these dangers signal a need for a collective effort among writers/commentators to ward off or resist the imperial reach of the tremendous momentum that has generated in the region for popular democracy rooted in social and economic justice.

Western hypocrisy: the public face of imperialism today
Western governments have reacted to the uprisings, revolts and revolutions in the Middle East and North Africa according to what appears to be a prescribed protocol, reserved for public responses to widespread social upheaval in the Global South, in
countries with Western-backed unpopular and repressive governments. The protocol goes something like this:

With the US at the helm, high-level government officials urge ‘restraint on both sides’. When the revolts appear to be not so easily thwarted, they then call for reform. Tensions escalate and international media attention grows, the call for reform turns to an acknowledgement of the need for a new government.

In the case of the Barack Obama administration’s public response to the 25 January Revolution in Egypt, at this point the administration goes on the defensive, claiming to have a strong record in Egypt of defending human rights and promoting civil society. The call for a new government is not immediate; after all, publicly announcing a wish for Egyptian President Hosni Mubarak to step down just days after standing by him as a close friend and ally would be obviously disingenuous. The Obama administration instead urges Mubarak not to seek re-election, a redundancy after Mubarak had already announced that he would not run in the 2011 elections and all indications were that he was priming his son Gamal Mubarak to take his place as president.

Only when there is continued, mass support for the popular resistance do the United States and European governments begin to prepare proposals for a new government, or in the case of Libya, declare their active support of a United Nations-sanctioned No-Fly Zone. In the case of a successful uprising, when the popular opposition overthrows the ruler, Western governments cheer loudly and declare that the will of the people has been heard!

This protocol fails to veil the hypocrisy of the ‘West’s relationship with the Rest’, although not entirely. The image of Western governments as defenders and promoters of democracy and development fractures before a fumbling, reticent reaction to mass democratic movements confronting authoritarian rule.

The script – from restraint to reform to a new government to ‘yeah for democracy!’ – demonstrates much more than hypocrisy on the part of the West. Western hypocrisy is a non-starter by itself, having long been established in a post-colonial era of consistent support for tyranny overseas. Rather, it may be understood as a significant character of Western imperialism, opening a window for the observer into the workings of twenty-first-century imperial forms, especially those more subtle and less visible.

On 11 February 2011, the day that newly appointed Egyptian Vice-President Omar Suleiman publicly announces that President Mubarak has ‘stepped down’, hours later Obama’s ‘address to the Egyptian people’ is broadcast on state television, before the celebrating crowds in Tahrir Square. Obama does not just declare a joint celebration, the American people and their government celebrating alongside Egyptians, who have just kicked out their ruler who had long been embraced as a close American friend. Obama gives a lecture on democracy, teaching Egyptians what it will take to build democracy, warning them of the long road ahead.

As David Africa (2011) eloquently argues in an opinion piece in Al Jazeera English, the Egyptian people who are leading a popular revolution know what democracy is and how to practise it, thank you very much. Much of the commentary on Obama’s speech in the Western media focused on its eloquence, however, arguing that it was one of Obama’s better speeches. And, according to the National Broadcasting Company’s (NBC) correspondent Richard Engel, after hearing the live speech from Obama a crowd of Egyptians around him in Tahrir began to cheer for Obama and chant ‘We love America’ (The Guardian 2011).

When former Tunisian President Ben Ali and Egyptian President Mubarak addressed the nation in the midst of uprisings in January and February, respectively,
some were comforted by the rulers’ postur-
ing as their father, protector and guarantor,
while others were infuriated by the rulers’
patronising tone. One patronising address
after another made people’s anger grow,
quickly forcing out the rulers and their
immediate families. Evidently, the day
that the American emperor’s address to
teach about democracy and the rule of law
is overwhelmingly felt as patronising
worldwide has not yet arrived. It is pre-
cisely because it has not that 11 February,
the day of joint celebration of Western
powers with the Egyptian people, marked
the beginning of the ‘expropriation of the
Egyptian revolution by the Euro-Atlantic
axis’ (Africa 2011). Claims of expertise –
and the vast funding apparatus to support
them – come with meddling and posturing
to ensure that changes in the region keep in
line with a vision of the world order pro-
mulgated by the Washington Consensus.

Claiming and co-opting
It may be argued that the West’s public
declarations of support of popular revolts
in the region at least helped break the perv-
asive Middle East exceptionalism thesis.
Shock and disbelief at what is happening
in the region have been overwhelming
among Western observers and populations
of the region. A standard response to the
Tunisian revolution among Egyptians
before 25 January was that Egypt was not
Tunisia. It can happen there, but not here!
In Egypt I have heard Westerners repeating
how shocking it is what happened because
it was so contrary to the ‘Egyptian personal-
ality’ – easy-going, complacent and non-
confrontational. Libyans turned revolution-
aries were saying that at least in Egypt
people were preparing for the revolution,
unlike in Libya where no such opposition
had previously been formed.

This dangerous form of cultural-turned-
national exceptionalism has been mixed
with state propaganda blaming the
popular uprisings on foreigners. A common
response by the region’s ruling regimes
has been a forceful media campaign brand-
ing the growing opposition as infiltrated
by foreign agents or funded by foreign
powers (usually a mix of Shiite, Israeli
and Western).

One of the gains made and continually in
the making by popular opposition move-
ments in the region is the shedding of the
‘disbelief in ourselves’ – and not just for
the people of the region but for people
around the world, as is evident from rising
protests in China, states throughout the
United States (namely, Wisconsin), Camer-
on – all of which have claimed inspiration
from the uprisings in the region. It is not that
the exceptionalism thesis, branding Muslim
majority populations and democracy as
incompatible, has disappeared with the
region’s mass social upheaval and its suc-
cesses. Rather, the work of the opposition
is continually to shed this conceptual frame-
work that limits what is possible, as ruling
elites attempt to hold on to power and use
fear tactics during these ‘shocked’ states of
transition. This effort is all the more impor-
tant in the face of imperial powers defining
what their movements are about and where
they need to go – and claiming responsibil-
ity for them. In other words, it is not the
West’s public support of the movements
that weakens support for the Middle East
exceptionalism thesis, but the democratic
movements themselves.

Obama’s address to the Egyptian
people provides an example par excellence
of Western claims on the popular move-
ments in the region. In that address he
attributed the success of the Egyptian revo-
lution to the ‘ingenuity and entrepreneurial
spirit’ of the Egyptian people. Such a weak
claim, linking the revolution to entrepre-
nurship, makes sense when one looks at
the US government’s goals in Egypt –
turning it into the poster child of free-
market fundamentalism – and its prescrip-
tions for a democratic transition in the
country – more free-market ‘solutions’,
especially US–Egypt business partnerships.
and greater access for US businesses to the Egyptian market (these points will be highlighted below).

Not far into the Tunisian revolution did claims of the first WikiLeaks revolution begin to circulate in the English medium press. WikiLeaks had released a US State Department cable highlighting the egregious rule of the Ben Ali family, and Western observers began to refer to the revolution as the first WikiLeaks revolution when the Ali regime restricted access to WikiLeaks within Tunisia (for a response, see Dickinson 2011). Commonly Western commentators referred to the Egyptian revolution as a Facebook revolution, a claim easily refuted considering that Facebook was made inoperable for much of the 25 January uprising (for a response, see Herrera 2011).

Although WikiLeaks and Facebook have played and are playing a role in both the Tunisian and Egyptian revolutions, and in opposition movements throughout the region, in an effort to make sense of these ‘unpredictable’, ‘surprising’ events many explanations from the West, particularly from the United States, come back to the West.

Among neo-conservatives in the United States more ostentatious claims of responsibility surfaced than the WikiLeaks and Facebook dubs. Discussion generated on how the ‘Arab Spring’ proved that former US President George W. Bush was right about the region, claiming that his administration’s ‘policy’ in Iraq helped spring to life the democratic movements spreading across the region (e.g., Taber 2011). The reasoning is that unlike Bush’s successor and critics, the Bush administration always rejected the Middle East exceptionalism thesis as essentially racist (Carter 2011). Bush’s ‘freedom agenda’ asserted that the people of the Middle East are not ‘beyond the reach of liberty’, a direct quotation from a 2003 speech Bush delivered (Abrams 2011). Whether by direct force or not, one ‘of the great under-reported stories of the end of the 20th century was the enormous penetration of the West’s better political ideas – democracy and individual liberty – into the Muslim consciousness’ (Gerecht 2011).

This ‘neo-conservative’ argument cannot be relegated to a marginalised American political opinion as it was mainstreamed, for example, in the New York Times and Newsweek. It is this centrifugal force of the US political right that helps bring legitimacy internationally to US claims on the region. New York Times op-ed columnist and Pulitzer Prize-winning journalist Thomas Friedmann (2011) argued that the less obvious factors igniting the Arab Spring are Obama and Google Earth, among the Western-supported and dominated Israeli democracy, the Beijing Olympics of 2008 and Palestinian Authority reforms under Prime Minister Fayyad. Friedmann claims that all factors provided inspiration to the people of the Arab world, and that these less-known reasons became obvious to him after his trip to Egypt. There are no indications that in his conversations Egyptians actually pointed in a direct or indirect way to, say, the election of an African American to the US presidency as a reason for the revolution. In fact, the voices of the people of the region and even Western scholars of the region are muted in both of these legitimated claims.

**Monopoly of expertise**

The imperial discourse at the centre that claims responsibility for peripheral movements for justice cannot be separated from claims of expertise. This is claiming and co-opting: defining what the social change is about (including where it comes from) and what it needs. In the case of the 25 January Revolution in Egypt, Western powers were proclaiming expertise to help Egypt’s transition to democracy even before Mubarak left office. Catherine
Ashton (2011), High Representative for Foreign Affairs and Security Policy of the European Union, offered that Europeans have a lot of experience with democratic transitions and are willing to help. US Secretary of State Hilary Clinton visited Egypt and Tunisia also offering support for the democratic transitions in both countries. Both she and Ashton declared that they have already begun to help with more money for civil society – and that this support for civil society will grow. When Clinton outlined the assistance that the United States will offer for Tunisia’s ‘transition to democracy’, the support resembled a neoliberal form of ‘civil society’. At least in these initial stages, the US assistance package is proposed to be: (1) Microsoft will work with civil society groups to improve information and communications capacity; (2) the US Overseas Private Investment Corporation (OPIC) will support private equity firms and US–Arab business partnerships; (3) the administration is asking Congress to establish a Tunisian–American enterprise fund; and (4) business leaders and young entrepreneurs will connect though the US–North Africa Partnership for Economic Opportunity (Kaufman 2011).

This ‘aid’ package represents a typical cocktail of unregulated private-sector solutions that Western governments and institutions offer – essentially more business opportunities for Western private companies in the recipient country, more opportunities for already well-established businesses and businessmen of the recipient country – in the form of public–private partnerships and elite hobnobbing, in particular. This prescription for Tunisia’s democracy was not based on what the Tunisian revolution calls for, but is carbon-copied from already existing US State Department/United States Agency for International Development (USAID) civil society programmes in the region. Since 2007, the US State Department and USAID joined in creating a five-year strategic plan for the globe. The joint strategic goal framework for the Near East includes supporting democratisation through ‘a reinforcing focus on building open economies’, and essential to this process of democratisation is increased trade and investment, which is why they ‘will continue to seek progress towards the World Trade Organization (WTO) accession for Algeria, Iraq, Libya, Yemen, and Lebanon’ (US State Department and US Agency for International Development 2007). USAID Egypt’s (2004) governance and democracy programmes claim to be based primarily on the existing Middle East Partnership Initiative (MEPI), which consists mainly of workshops and ‘meet and greets’ with US officials and various types of entrepreneurship trainings.

US claims of supporting democracy in the region have long been criticised on the grounds that much US aid (at least in the cases of Tunisia, Egypt and Jordan) has been designated for the military in the form of loans and military training. Billions of dollars in military aid to Egypt alone drastically fed Egypt’s debt while benefiting private US military companies with lucrative contracts and mushrooming a military complex in Egypt (Chatterjee 2011; Mitchell 2002). The Egyptian military now holds large stakes in all major sectors of the economy and its generals are ruling the country politically, supposedly facilitating the transition to parliamentary elections later in 2011. As with military aid, the rest of the aid rarely even reaches Egyptian ‘experts’, let alone organisations and groups, as it goes to international development contractors and subcontractors (Mitchell 2002).

Since the uprisings in the region began, public criticism has been waged against the Obama administration for boasting a strong record of democracy promotion when the administration cut funding for democracy and governance programmes by more than half, with civil society programmes and non-governmental organisations
NGOs) cut out disproportionately (Baram 2011). The administration limited NGO funding to only NGOs registered with the Egyptian government, under pressure from the Egyptian government to withdraw support from unregistered groups, including most human rights and advocacy groups, as revealed by diplomatic cables leaked to WikiLeaks.

The role of US aid in promoting a professional class of international development ‘experts’ and a vast military complex overseas, and in sidelining human rights and advocacy groups (in the case of Egypt), illustrates that the United States’ relationship with democracy promotion in the region is weak and contradictory, at best. What such critiques fail to show is how the system of Western-led expertise, with contractors and ‘meet and greets’/workshops, reinforces the bifurcated ‘West knows best’ and the ‘underdeveloped Rest’. And of course there is nothing democratic about that modelled relationship. Further, a close examination of US aid programming in the region reveals the pervasive character of the neoliberal agenda. Among USAID’s programmes – from economic growth to health to education to governance – there is a thinly veiled thread of growth-based ‘development’ and Western corporate-sector profiteering. The health programmes deploy expert-led capacity-building workshops, rather than essential life-saving supplies. The education programmes focus on primary education and vocational training to create a pool of semi-skilled workers in the region for the ‘global market’. Economic growth equates with an export-oriented economy, with countries like Egypt exporting water-intensive and non-essential commodities (like strawberries and green beans), while importing staples (like wheat).

These are the so-called prescriptions for countries in the region to become competitive globally. There is nothing democratic about these mechanisms prescribed for and adopted in the Global South supposedly to become a global player. Populations in authoritarian and democratic countries alike have not voted and do not vote for neoliberal ‘reforms’, which have been imposed (albeit welcomed and willingly implemented by the elite, benefiting classes) on governments by international banks as the only way to restructure debts and build creditworthiness.

One may argue that the claim of US-led war and occupation unleashing the Arab Spring is the flipside of the argument that promotion of the undemocratic economic order is essential to the region’s democratic transition. One side involves visible coercion, the other subtle – or perhaps more fitting in Gramsci’s terms – the twin mutually reinforcing hegemony of coercion and of consent.

A writers’ collective
There has been some timely discussion generated in select English-medium presses of the neoliberal economic order as a raison d’être of the Arab Spring. Bush (2011) warns of the ‘buzzards of the EU, UK and US’ circling in an effort to position themselves advantageously as the regional socio-political terrain shifts. He challenges the ‘market economy’ ideology by calling on its proponents to provide evidence that it has actually led to trickle-down growth as is claimed, and calls for a ‘permanent revolution’ to realise the peoples’ demands. Armbrust (2011) makes the direct connection between the revolutions in Egypt and Tunisia and neoliberalism, as both regimes were considered by the international community as premier examples of the ‘reform agenda’. Armbrust calls on participants and commentators alike not to miss the wood for the trees by limiting the revolutions’ aims to the persecution of corrupt individuals. Corruption is more than the personal wealth ‘stolen’, but rather is those in power and with connections enriching themselves through legalised processes of privatisation.
Armbrust further warns, rather presciently, of the dangers in a ‘shocked’ Egypt:

The notion that the economy is in ruins – tourists staying away, investor confidence shattered, employment in the construction sector at a standstill, many industries and businesses operating at far less than full capacity – could well be the single most dangerous rationale for imposing cosmetic reforms that leave the incestuous relation between governance and business intact.

Even worse, if the fear-provoking state-fed discourse of instability continues to gain traction in Egypt (as is evident from the outcome of the first constitutional referendum held in March), then technocrats could come into decision-making roles within the military transitional government and quicken the pace of neoliberal reforms (Armbrust 2011). As Klein (2007) argues, it is during ‘shocked’ states – in countries under economic crises (e.g., Mexico in the 1980s), in countries undergoing major political change (e.g., South Africa in the early 1990s) – that structural adjustments were undemocratically implemented, beginning in the mid 1970s. And now, in times of economic crises and sweeping political change, neoliberal policies may get one last push, as is evident from sweeping austerity measures throughout Europe and in US states.

At this crucial time I argue for a writers’ collective, made up of scholars, students, activists, journalists and others who have gained an understanding of neoliberalism and who write in blogs, newspapers, magazines and scholarly journals. As events unfold in the Arab world and elsewhere, the collective will make a concerted effort to make visible the undemocratic policies pushed by Western governments and institutions and complying regional governments. We will focus on the direct links between two decades of the neoliberal agenda and the many societal ills that people are revolting against. We will highlight the voices of those involved in and affected by these revolts. Forging a shared effort is all the more poignant at a time in which the international-accredited discourse and policy is vulnerable, while dangers are present with the resulting shocks.

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References


BRIEFING

Against the flow – new power dynamics and upstream mobilisation in the Nile Basin

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Introduction

On 14 May 2010, four Nile Basin states (Ethiopia, Rwanda, Tanzania and Uganda) signed the Cooperative Framework Agreement (CFA) to develop the resources of the River Nile for mutual benefit. This new agreement took over 10 years to negotiate between all riparians and provided a blueprint for international cooperation within the Nile Basin. Days later, Kenya signed up to the agreement, leaving the parties just one signatory short of the two-thirds required for it to enter into force. This article provides a short commentary on the hydropolitics of the process and implications for future cooperation on the Nile.

The four states that did not sign on 14 May were Burundi, the Democratic Republic of Congo (DRC), Egypt and Sudan.1 Burundi and Congo were expected to have signed together with the other five Nile upstream riparians, but for Burundi, one of the reasons presented for not signing was that presidential elections were due in June and the outgoing government was not in a position to commit to new international agreements.2 Much of the regional media reported, however, that the reason for reluctance on the part of these two riparians was political pressure being exerted by Egypt, including provision of diplomatic and financial ‘incentives’ for these states not to sign (Daily News Egypt 2010). For Egypt, the stakes were high and only one of the two states was required to sign in order to create a two-thirds majority under which the CFA agreement would become valid (Reuters 2010; also Al-Ahram Weekly 2010).

As a result, Burundi came top of Egypt’s foreign policy agenda from mid-2010 onwards. This small upstream country, largely ignored beforehand by Cairo, exchanged high-level visits with Egypt’s government and business officials (Al-Masry Al-Youm 2010a; also African Press Agency 2010a, 2010b; Al-Masry Al-Youm 2010b). Egypt promised bilateral cooperation and investment in Burundi in return for Burundian acknowledgement that no agreement in the Nile Basin should be signed against Egyptian interests. Implicitly, therefore, Burundi would ‘refrain’ from signing the CFA (Al-Masry Al-Youm 2010c; also African Press Agency 2010c). Egypt’s strategy imploded with the convulsions that took place from January 2011 onwards. With turmoil across Egypt, Burundi saw an opportunity to take forward its allegiances with upstream states and duly signed the CFA on 22 February 2011 (Bloomberg 2011).

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The game had changed for Egypt and Sudan.

The main point of contention within the CFA for these two downstream countries is the wording of Article 14b on ‘Water Security’, which states:

the Nile Basin States therefore agree, in a spirit of cooperation, to work together to ensure that all states achieve and sustain water security and not to significantly affect the water security of any other Nile Basin State.

The signed agreement provides the following additional text:

Egypt and Sudan expressed their reservations to the ambiguous article, and considered that the last sentence of Art. 14b should be replaced by the following wording: ‘... not to adversely affect the water security and current uses and rights of any other Nile Basin State’.

All of Article 14b in its current form was annexed to the signed CFA, but not included in the main body of the agreement.

At the core of disagreement over this article is the reference it makes – however obliquely – to existing agreements signed in 1929 and 1959, which apportioned all the Nile’s flow to Egypt and Sudan alone. The 1929 Agreement was signed between Egypt and Britain (on behalf of Sudan as part of the Anglo-Egyptian Condominium), and established particular volumetric water allocations for the first time: 44.4 billion cubic metres (bcm) for Egypt and 4.5 bcm for Sudan (Agreement 1929; cf. Godana 1985; Okidi 1994). This agreement became the legal basis for subsequent Egyptian and Sudanese claims to historical rights over Nile waters. The 1959 Nile Waters Agreement (NWA) guaranteed minimum flows of the river based on a notional annual flow of 84 bcm as measured at Aswan: 55.5 bcm to Egypt and 18.5 bcm to Sudan, with 10 bcm assumed lost to evaporation from Lake Nasser/Nubia which was created behind the High Aswan Dam, built following the agreement. This figure of 84 bcm/year is based on the calculation of average flows over a century at Aswan. There is some dispute as to the accuracy of this figure. Waterbury (1979, pp. 22–23) suggests that the data used to calculate these volumetric water allocations are in fact underestimates that are based on the lowest averages of Nile flows. Such an underestimation would necessarily mean that Egypt receives annually at Aswan far more water than is officially declared.

Upstream states contend that the signing of these treaties was during a period of colonial rule and means that they are no longer valid. Of equal if not more significance for the current Nile impasse is the fact that the 1959 Agreement was concluded at a time of great political change during the Cold War era and by two newly independent states – Egypt and Sudan. The Soviet Union and the United States had begun to overtake Britain’s strategic dominance in the region after the Suez crisis in particular, and both Egypt and Sudan had started coming under Eastern Bloc influence. With Soviet support, Egypt began to construct the High Aswan Dam which for the first time enabled the capture of more than an entire annual Nile flood, most of it stored within Egypt’s national borders.

After 1971, when the dam was completed, the Nile in effect became one long irrigation ditch from Aswan to the Mediterranean. Rapid expansion of irrigated agriculture took place in the Nile Valley and Delta. Hydropower production also increased markedly and the High Aswan Dam provided 50% of Egypt’s energy supply in its early years (though falling to less than 15% today). This provided energy for industrial expansion and helped to light the country’s burgeoning cities. The dam became the most potent symbol of the Nasserist Revolution and of Egypt’s
national development and regional political strength.

For upstream states, however – and their superpower allies – the dam also represented an era of continued Egyptian hegemony over the Nile. After the signing of the 1959 NWA, the United States began a comprehensive study of potential dam sites on the Blue Nile in Ethiopia (United States Bureau of Reclamation [USBR] 1964). At this time, Ethiopia’s Imperial Regime was an important strategic ally. Though none of the proposed developments came to fruition, the very threat of upstream development helped to stoke Egypt’s water security fears. Vision of the Nile’s flow blocked behind dams upstream in Ethiopia became established within mainstream public consciousness. Bellicose political statements – echoed in the national media – followed from the government on the consequences of dams upstream on the Blue Nile and its tributaries.

For Sudan, caught in the middle between the major Nile water ‘producer’, Ethiopia – where some 85% of the total Nile’s flow derives – and the major ‘consumer’, Egypt, the 1959 Agreement was not a particularly good deal. Nevertheless, in part due to its post-independence weakness, Sudan was cajoled into signing the NWA by its more powerful northern neighbour. The NWA guaranteed Sudan a share of the Nile waters – 18.5 bcm compared with Egypt’s 55.5 bcm. Although this was a substantial increase on the 1929 Agreement, the country was not in a position to utilise much of this allocation for several decades. In addition, the filling of the reservoir behind Aswan had several adverse effects, including the displacement of thousands of Sudanese Nubians.

Egypt, however, was in position to use – and reuse – its allocation under the Agreement. The irrigation system took water upstream on the river, delivered it to crops and then returned it further downstream through drainage in a continued (and relatively efficient) recycling of flow. As a result, Egypt’s actual utilisation of the Nile exceeds its official quota, partly because it also receives additional ‘unutilised’ water from Sudan each year and any excess flows over and above the 84 bcm received at Aswan. The Sudanese refer to the water they do not use as ‘water-on-loan’ (El-Zain 2007, p. 14). Currently the ‘loan’ so-called is an estimated 4 bcm/year given Sudan’s stated usage of around 14.6 bcm (Ministry of Agriculture and Forests, Sudan [MAF] 2000, the official number). In spite of the uneven nature of benefits and costs between the two signatories, the 1959 Agreement has persisted to this day and a Permanent Joint Technical Commission established to oversee the provisions of the agreement has persisted even during periods of extreme political tension between Cairo and Khartoum. The 1959 Nile Waters Agreement has remained the single largest piece of hydropolitical furniture in the Basin to this day.

Changing geopolitical contexts

From the 1960s to the 1980s, much of Africa, including the Nile Basin, remained locked in the embrace of the two superpowers. However, during the late 1980s this grip began to weaken as the Soviet Union and its Eastern Bloc allies felt the effects of perestroika and glasnost. In the mid 1980s, the geopolitical landscape in the Horn of Africa began to change too, reflecting the weakening Cold War embraces. This was a time of intense military confrontation between a slowly weakening Soviet-backed regime and a strengthening rebel movement in Ethiopia. At the same time, exceptionally low rainfall in the Ethiopian highlands contributed to a globally emblematic famine in 1984/85 which began to redefine the international community’s response to development issues in the Nile Basin. Exceptionally low flows on the Nile caused unprecedented concern in Egypt too where the levels of the river by mid 1988 had
become such a national security concern that they were on the masthead of national newspapers on a daily basis. Built to secure Egypt’s water supply, the reservoir levels at Aswan had fallen to levels so alarmingly low that they threatened the closure of hydropower turbines.

The eventual toppling of the Mengistu Haile Mariam government in Addis Ababa in 1991, although one of the smaller side-shows to wider geopolitical shifts, nevertheless had profound resonance throughout the region. Ethiopia’s new government had an ostensibly developmental outlook and was quick to capitalise on international goodwill, mindful of the impacts on this hugely populous country of the devastating famine suffered in 1984/85. Population, development and food security issues in upstream states became part of a wider development dialogue with aid agencies and donors as political space opened up across the basin in Kenya, Uganda and Tanzania too. The nature of development discourse moved from exchanging slogans on sovereignty over waters to a more comprehensive and basin-wide approach which sought benefits through joint development of the river. This discourse was strengthened further by a new platform for dialogue – the Nile 2002 Conferences – launched in Aswan in 1993 and held each successive year for a decade. This informal ‘track-two’ process contributed to parallel donor initiatives, including greater collective action under the Nile River Basin Action Plan.

The 1990s – in search of Nile cooperation

Combined with the geopolitical shift and widening and deepening of development dialogue on the Nile, new international recognition of a standard for cooperation on shared rivers was enshrined in the 1997 UN Water Convention (International Law Commission (ILC) 1997). The Convention emphasises the notion of equitable water and benefit sharing. This concept provided a useful alternative for states seeking cooperation without wishing to enter into complex international legal processes on water sharing. The new ‘orthodoxy’, if it can be called that, was captured in the Nile Basin Initiative (NBI), established in February 1999 by nine riparians.

The increasing entente cordiale between Ethiopia and Egypt was a key plank in the NBI and was facilitated, inter alia, by the two states’ wider co-interest in combating political threats. These included the rise of Islamism in the region (for Egypt, the Muslim Brotherhood, and for both, state change in Sudan towards a more Islamist orientation and state disintegration in Somalia). The new entente provided a window of opportunity through which donors, including the World Bank, could support a more formal process of hydropolitical cooperation in the basin. This was initially in the form of the ‘D3 Project’, which later became the Cooperative Framework Agreement (CFA). D3 aimed at constructing a legal and institutional framework for cooperation and was initiated in 1997 with financial support from the UNDP. D3 sought to conclude a new multilateral agreement on cooperation but shied away from discussing the status of existing water treaties, as expected at the outset by upstream riparians.

The second process set in motion was the NBI. This represented a temporary mechanism for strengthening cooperation and identifying potential joint investment projects between all riparians. The expectation of many was that after the conclusion of the multilateral agreement through the D3 process, the NBI would be replaced by a permanent Nile Basin Commission. The length of this ‘transitional period’ was left undefined, however, and became an important factor in the ensuing deadlock between upstream and downstream riparians.
The genesis of the CFA and the NBI

The CFA enshrined a number of international legal principles including the ‘equitable and reasonable utilisation’ of water resources preferred by upstream riparians, but also the ‘no-harm’ and ‘prior notification’ principles emphasised by Egypt and Sudan. Whilst the CFA negotiations proceeded slowly, the NBI was quickly institutionalised and a secretariat established in Entebbe. Two subsidiary action programmes at the sub-basin level in the Eastern Nile (in Addis Ababa) and the Nile Equatorial Lakes region (in Kigali) began identifying joint water projects for implementation and enabled a neat side-stepping of the World Bank’s (1994) Operational Directive 7.5 on lending within shared basins. In the past, this Directive had prevented the World Bank from financially supporting hydraulic projects in upstream Nile states when there was downstream opposition (most notably from Egypt). The new subsidiarity principle enabled financing through lower (and easier to achieve) levels of agreement. Donors, particularly some bilaterals, the World Bank and the African Development Bank – other donors felt less sure – were encouraged to achieve ‘quick win’ development projects which would, they believed, provide examples of confidence building to strengthen the wider NBI.

Realpolitik – beyond Nile cooperation

The NBI Subsidiary Action Programs (SAPs) played an important role in reinforcing the new political confidence enjoyed between riparians. Nevertheless, the ‘cooperation’ represented by the NBI also masked realities including the continuation of unilateral developments by countries including Egypt, Ethiopia and Sudan. In Sudan the exploitation of its oil wealth with Chinese and other Asian countries’ support enabled domestic financing for new dam projects at a time when the country remained blacklisted by the international financial system. This new-found wealth allowed the government to complete the Merowe Dam in 2009 which added substantial hydropower capacity to the Sudanese grid. Further dams were subsequently planned on the main Nile. In Egypt domestic financing of the Toshka project – which diverted excess water from the Lake Nasser/Nubia reservoir – opened up large areas of the southwestern valley to agricultural expansion. Questions remain over the financial and political viability of this huge undertaking particularly given its remoteness, but the project was mainly justified by former President Mubarak on the grounds that it could help reduce population pressure in the Old Valley.4 Finally, Ethiopia pressed ahead and constructed the Tekezze Dam with Chinese support, substantially increasing hydropower generation.

In spite of the paraphernalia of international cooperation under the NBI and D3 negotiations, some countries pushed ahead with national projects that were neither part of joint cooperative regional assessments, nor strictly speaking, in the spirit of wider ‘benefit sharing’. This latter notion became a centrepiece of the NBI and held that through working jointly and cooperatively countries could optimise the benefits available to all. Worse still, for some countries the projects also signalled political manoeuvring to establish ‘facts on the ground’ – particularly in Egypt and Sudan. Projects that would increase water use would strengthen positions on acquired rights, even if the projects resulted in relatively higher net losses from the system because of poor siting of dams in areas of high evaporation losses. More significantly perhaps, in Ethiopia the Tekezze Dam emphasised across the basin that Chinese backing and technical expertise could and would assist states in taking forward their unilateral projects.

The logic of cooperation through regional development suggested that
benefits should be maximised by situating hydropower dams and their reservoirs in countries where evaporation losses are reduced—for example, in Ethiopia’s cooler highlands where the ‘head’ is also greatest and could generate up to 30,000 MW of power, with significantly lower water loses. Moreover, under this logic, most large-scale irrigation would be in Sudan where vast tracks of fertile soils are still available. The reality on the ground, however, showed that narrower national economic and political interests continued to prevail over the logic of cooperative action in part because of the slow pace of change under the NBI.

Negotiations under D3/CFA dragged on through the 2000s until a split took place along upstream—downstream lines in 2007. After 10 years of negotiations, the final document was almost complete and riparian states had reached consensus on 38 out of 39 articles. At the Nile Council of Ministers (Nile-COM) meeting in February of that year, the anticipated conclusion to the agreement (and the one desired by upstream riparians) failed to take place. Instead, Nile security issues returned to the fore and responsibility for finally concluding the document moved from technical and legal experts to heads of state.

The tipping point

Although the technical–legal negotiations were declared to have ended at the Nile-COM meeting in 2007 in Entebbe, subsequently representatives (including negotiators and advisors) of the Nile riparians held extraordinary meetings on the future of the CFA document, and in particular what to do with Article 14b. In the latter part of 2007 and throughout 2008, talks continued between states but failed to reconcile ‘water security’ with existing treaties and the demands of upstream states for a fairer basis on which to continue international cooperation. Upstream states were keen to accept an ambiguous definition of water security that would not make specific reference to water reallocations, but neither would it refer to past agreements. This was considered a possible compromise in order to move ahead with the establishment of the permanent Nile Basin Commission, and at the same time ensure the commitment of the two downstream riparians. However, although Egypt and Sudan had earlier appeared ready to accept ambiguity as a diplomatic solution – given the oft-repeated media reports that an agreement was near – they then reverted to earlier hard-line positions on the new agreement explicitly recognising their existing uses and rights to the Nile waters. Upstream countries, that had argued that the goal of the CFA was not to acknowledge historical agreements but instead to move to a new era of cooperation, regarded this as unacceptable. The upstream riparians interpreted the changed wording as a way to legitimise the past agreements instead of moving away from them, and rejected it as a whole (The Standard 2007; The New Vision 2007).

Soon after the end of the negotiations in 2007, the role of the international donor community came under scrutiny. Increasingly some of the riparians viewed the World Bank’s role as having moved from that of neutral facilitator to value-laden stakeholder. This was because the Bank was believed to be pushing for an all-inclusive Nile Basin Commission and thereby rejecting the option of a Commission being established by a majority of states. Other major Nile donors, both multilateral and bilateral, tacitly supported this position, whilst remaining silent in public. This apparent taking of sides was reported at the time to have angered upstream states, who perceived that donors had begun exerting pressure in support of the downstream position on the CFA’s final wording (for example, The East African 2009).

Continued delay led the seven upstream riparian states to form an unofficial bloc in
support of the existing CFA text. They increasingly warned downstream states that they would sign as a bloc and thereby create a new internationally recognised agreement in the basin, citing two main reasons. First, because the window of opportunity created in 2007 when the agreement was almost concluded by all riparians was rapidly closing, and not to sign would have wasted 10 years of serious and legitimate multilateral negotiations. Second, because the NBI was nearing the end of its first phase of programmes (many of the Shared Vision Programs were phased out in 2009), and the Nile Trust Fund was expected to be phased out in 2011. For this reason alone, the establishment of a new vehicle for donor funding (i.e. the Nile Basin Commission) became an imperative for upstream riparians.

High-level meetings during late 2007 and 2008 were inconclusive, and the riparians could not agree on Article 14b. The options were: (1) annexe Article 14b and return to negotiations over that article, but under the auspices of the new Nile Commission; (2) delete and forget about it altogether; or (3) renegotiate it again from scratch. Upstream states were in favour of the first two options; downstream states were in favour of the third option. Again, countries could not reach a consensus, and at the end of 2009 during a Nile-COM meeting in Sharm el-Sheikh the upstream riparians decided they could wait no longer and announced that signing of the new agreement would take place on 14 May 2010, after which the Agreement would remain open for signature for a year. By May 2010, five upstream riparians had signed the CFA. Burundi finally signed in February 2011, and the DRC has yet to do so.

2011 – the beginning of the end of the status quo
The new challenge to the Nile basin status quo changed dramatically in 2011. The CFA has the sixth signatory, which means that it is open for ratification. At the same time political space has opened up even further in the basin with the passage of two major events.

The first was in Sudan. Although a referendum on the secession of Southern Sudan was included in the Sudanese Peace Agreement (of 2005), few believed the referendum would take place as scheduled in January 2011 or that it would be conducted in a peaceful manner. The emphatic vote with 99% in favour of separation means that an 11th riparian state will join the basin in July 2011, representing an additional competitor for resources, but also an additional partner in negotiations and agreements, including the CFA. Given the equivocal attitude of the incoming Southern Sudanese government towards the 1959 NWA – and their claims on future water allocations – this is a worrying scenario for Egypt.

However, the second event, which came totally unexpectedly, overshadows such worries but has important long-term bearing on Nile Basin development. Once the Basin’s most monolithic and stable political system, Egypt underwent major convulsions in January 2011 which have changed the nature of the Egyptian state and, potentially, its relationship to Nile development issues. Although it is unlikely that there will be a sea change in Egypt’s position on the Nile and how the Nile figures on the national security agenda, there may well be a reassessment of Egypt’s position on the CFA, and eventually a decision taken to join the future Nile Basin Commission.

Both events represent a change in the status quo of the Egyptian–Sudanese Nile basin dyad. Upstream states now have a stronger development narrative and the institutional–legal machinery with which to pursue it. The opportunity now exists for Egypt and both Sudans to choose to embrace this new reality.
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Notes
1. Eritrea is also a Nile riparian, but only has observer status under the Nile Basin Initiative.
2. Interviews with members of the Nile Technical Advisory Committee (Nile-TAC), which comprises technical representatives from the partner states.
3. Article 5 of the Convention states: ‘Equitable and reasonable utilization and participation: Watercourse States shall in their respective territories utilize an international watercourse in an equitable and reasonable manner. In particular, an international watercourse shall be used and developed by watercourse States with a view to attaining optimal and sustainable utilization thereof and benefits therefrom, taking into account the interests of the watercourse States concerned, consistent with adequate protection of the watercourse.’
4. Around 95% of Egypt’s population of some 80 million people live along the banks of the Nile (‘the Old Valley’) and in the Nile Delta. Combined, this land area is just 5% of total Egyptian territory. Competition over the land resources between agriculture, industry and urban development is strong and has been felt acutely since the 1970s. Previous attempts to move people out of the Old Valley by creating new satellite cities in the Western Desert in particular have had little impact on the situation.
5. Personal communication with the authors.

References


Elections in the imperial periphery: Ethiopia hijacked

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For once, the United States got it right when President Barack Obama, during his visit to India, denounced the November 2010 elections in Myanmar as ‘neither free nor fair’. Still, the military regime that has inflicted authoritarian rule on the country for some 48 years was not pretentious enough to claim to have won more than about 80% of the vote. On 23 May 2010, five years after the fraudulent elections of 2005, Ethiopians were called to the ballot box to choose their members of parliament. There were no more than muted voices from the United States questioning the official results that saw the ruling Ethiopian Peoples’ Democratic Revolutionary Front (EPDRF) proclaiming, with almost childish pride, that along with allied parties it had won 99.4% of seats, based on 93% voter turnout.¹

The EPDRF and Prime Minister Meles Zenawi know they can count on Washington to turn a blind eye towards an ongoing process of enforcement of standardisation and eventual elimination of all opposition within the political, economic, and cultural institutions of a state. Popular protest against the fraudulent election results of 2005 were violently suppressed by the EPDRF regime, as tens of thousands of demonstrators were beaten, detained and incarcerated in makeshift concentration camps like Denkorochaka in North Wello province (Brigaldino 2006a).

During the 2010 campaign, a divided, intimidated and poorly organised opposition was unable to mount a serious electoral challenge against the ruling regime. The EPDRF had been preparing for years for this round of elections and nothing was left to chance. Notably in the countryside, where few, if any independent observers could monitor the vote casting and counting process, the outcome was largely a foregone conclusion. The opposition was simply unable to mount any sort of logistical challenge to the ruling party, which unapologetically utilised the state machinery to facilitate its re-election.

Therefore, while there never was any real doubt the EPDRF would retain power, the sweeping result did raise a few eyebrows abroad. The ruling party and its partner parties won 544 of the 547 seats to the House of Peoples’ Representatives (HPR), and all but four of the 1904 seats in the State Councils. An independent candidate and a candidate from one of the main opposition coalitions, the Ethiopian Federal Democratic Unity Forum (Medrek), won seats to the HPR. A candidate from a relatively smaller party, the Argoba People’s Democratic Organisation (APDO), won the third seat. Truly, Soviet-era kind of results.

It took a few months before the European Union Election Observation Mission presented its final report. In a diplomatic tone it suggested that

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Measures are necessary to increase the participation and capacity of opposition parties, as well as the broadening of political space in Ethiopia. The return of exiled opposition leaders as well as the release of imprisoned opposition leaders would be important steps in this direction, restoring confidence in the democratic process. (European Union Election Observation Mission to Ethiopia 2010, 2010)

Already in the aftermath of the 2005 elections, the main donor countries, including the United Kingdom, Germany and the European Union, had expressed dismay and decided to suspended direct aid to the government of Meles Zenawi. However, the donors’ feigned indignation did not last too long as they chose to ignore the systematic marginalisation of the opposition that followed the civil unrest of 2005.2

Then, as now, it is no secret that ‘a series of repressive laws enacted since the previous election in 2005, diminished political space for the opposition, lessening its chances at the polls’ (Economist Intelligence Unit 2010). Regardless, during the G20 meeting in Toronto, Canada, in 2010, no G8 leader hesitated to shake hands with Ethiopia’s despot Meles Zenawi: after all, he was invited.

**Aid as easy money?**

Since it came to power in 1991, the Meles Zenawi regime has received over US$24 billion in aid. Since 2003 alone, development aid to Ethiopia has more than doubled, to about US$3.327 billion in 2008, according to Organisation for Economic Co-operation and Development (OECD) figures. It is true that progress has been made in the education and health sectors, and economic growth has been above expectations, reaching 12% before the current financial crisis, yet dropping to about 6% more recently. Of course, gross domestic product and growth figures are difficult to ascertain where statistical systems are weak and, above all, there is good reason to believe that the government readily manipulates its balance sheets and is well-versed in accounting tricks. Ethiopia remains mired by persistently low governance and accountability scores; the budgetary process is seen as lacking integrity as parts of the national budget are not included in the budget documents presented to House of Peoples Representatives (Global Integrity 2008).

Regardless of the actual extent of economic growth, improvements in Ethiopia’s human rights record, the levels of corruption and its press freedom rankings have consistently deteriorated. Donor complicity in a commandeered democratic process can hardly be doubted, as in Ethiopia ‘donor country and IMF–World Bank policies do have the effect of reinforcing the powers-that-be, notably the Executive, and have not contributed directly to the furthering of democratic structures ...’ (Abbink 2009, p. 18). This assessment has now been forcefully confirmed in a 2010 Human Rights Watch report that has stuck a finger in a sore spot for donors and dictatorship alike. As this report notes:

Donor policy has been remarkably unaffected by Ethiopia’s deteriorating human rights situation ... a World Bank Country Assistance Strategy in 2008 ... presented the EPDRF’s undemocratic character as a technical challenge, rather than one of political will, that could be addressed by providing increased assistance ... donor policy [did not] significantly change toward Ethiopia following the flawed May 2010 general election in which the EPDRF won ... after a long campaign of intimidating political opponents, restricting civil society and media, and linking government services and educational and job opportunities to support for the ruling party. (Human Rights Watch 2010a)

Evidently, in many ways donors have become captives of their own development policies. There is no denying that Ethiopia’s need for aid is as great as ever. At the same
time, when it is clear that a regime misappropriates and misdirects resources systematically, using aid as a political lever can turn out to be an increasingly blunt instrument. Withholding aid swiftly affects the poorest in society, and the political elite – which already controls most of the country’s economic capital, natural resources and social institutions, including in the agricultural sector – will not go hungry.

In the ‘aid community’, including among the rank and file of donor aid agencies, there is a tendency to believe that increased donor pressure and coordination can be effective levers to sway undemocratic regimes to adhere to good governance principles. Noble as such beliefs are, they often fail to capture how the donor governments themselves, along with the political elites of the new economic ‘powerhouses’, readily engage with autocratic regimes like the one in Ethiopia, when doing so is supportive of neo-imperial agendas.

**Flowers, oil and anti-terror**

In the case of Ethiopia, it is not immediately evident how such a peripheral, poverty-laden country could find itself courted by international donor countries. However, globalisation has not shunned the country and in the context of the international division of labour, profits can be made even in improbable places. For example, already in the late 1990s, Dutch flower growers invested in Ethiopia and set up greenhouses outside the capital Addis Ababa. New investors have followed suit, notably from India. In February 2011 Ethiopian Agriculture Minister Tefera Derbew announced that 307,000 hectares of land have been transferred to foreign and domestic investors, some 79% of this to Indian companies, made available on a 70-year lease. He failed to elaborate how such investments impact upon chronic food insecurity in Ethiopia (Asianlite 2011).

The Ethiopian government benefits directly from such investments while showing scant regard for the potential local impact of massive Indian investment in floriculture and also in biofuels:

> Vast swathes of arable land, a permissive government and geographical proximity have garnered interest in agricultural investment in Ethiopia from Saudi Arabia, China and India. India is the current leader in the stakes and, with more than 400 companies with projects in development, cumulative Indian investment in Ethiopia is approaching US$4.2 billion. (*Africa–Asia Confidential* 2010)

Oil exploration has been another investment area that for many years has attracted foreign interest. However, the transition to actual production has yet to occur, and economic viability remains in doubt. Still, it appears that the Ethiopian regime has been positioning itself to profit from any revenues that might be generated in the future.

SouthWest Energy, a Hong Kong-based Ethiopian company formed in 2005, has recently procured exploration concessions previously held by Malaysia’s Petronas, but declined to disclose the amount it has agreed to pay for the assets in the Ogaden Basin. Unconfirmed suspicions have arisen that the company is in part owned by prominent members of the Ethiopian regime, including Azeb Mesfin, wife of Prime Minister Meles Zenawi (East Africa Forum 2010).³

International banks are often eager facilitators of dubious business dealings undertaken by regimes with poor accountability records and outright abuses of public resources. Global Witness has, for example, in the past exposed how banks, including Barclays, Citibank, Hong Kong and Shanghai Banking Corporation (HSBC), and Bank of America, have been able to do business with corrupt regimes, facilitating corruption and denying some of
the world’s poorest people a way out of poverty: a situation recently discussed in a report by a US Senate committee that details how foreign officials and their family members have exploited holes in the anti-money laundering framework to bring millions of illicit dollars into the United States (Global Witness 2010).

Less obscured by secrecy is how the Ethiopian regime has been more than willing to rub shoulders with the ‘coalition of the willing’ whenever the imperial hegemons have requested gestures of loyalty. In the notoriously troubled Horn of Africa, a state even with intermittent stability and a highly questionable human rights record is still considered to be a prized development ‘partner’. In particular, the United States has held on to this prize by underwriting the EPDRF regime, regardless of its democratic track record.

It is worth recalling how eagerly Ethiopia heeded Washington’s call when, in 2006, ousting the Islamists in Somalia became a strategic objective of George W. Bush’s ‘war on terror’ (Brigaldino 2006b; Love 2009). Funded and trained by the United States, Ethiopian troops invaded Somalia in 2006 and eventually occupied vast stretches of the central and southern regions of this ‘failed state’. Even USA Today reported on how the Bush administration preferred to see Ethiopia go into battle rather than again risk US casualties and resources (Slavin 2007).

The United States was content to resupply the Ethiopian army, provide training and ‘intelligence’. But after about three years of occupation, and with US elections in sight, Washington seemed to have lost interest in this proxy war and scaled back its support to the Ethiopian military effort in Somalia. The Ethiopians were left to fend for themselves, with ongoing casualties and a painful drain on their military resources. As a result, Ethiopia withdrew its troops in 2009, and the African Union agreed to dispatch a protection force for the US-backed ‘official’ Somali administration. Ever since then, the protection force has barely been able to hold on to key sections of the ruins of Mogadishu.

Meanwhile, the United States continues to maintain a considerable, yet less visible, military presence in the region, notably through the Combined Joint Task Force-Horn of Africa (CJTF-HOA), which is headquartered in Camp Lemonnier in Djibouti, where it has about 1000 troops stationed (GlobalSecurity.org n.d.). Active personnel from Camp Lemonnier are regular guests at the airport of nearby Dire Dawa in Ethiopia, where they have established a base camp, with the official mission to drill freshwater wells in and around the city. But what is apparent is a US preference for an authoritarian regime in Ethiopia over the unknowns of a democratically legitimised government in Ethiopia that might be inclined to favour peaceful conflict resolution over military operations.

Both American and European diplomats in the region are well aware of the democratic shortcomings and a deeply tainted human rights record of the ruling regimes in the Horn of Africa. In 2009, Canada even chose Sudan as a ‘country of focus’, stating on the website of its aid agency that ‘Canada’s engagement in Sudan follows key foreign policy priorities of freedom, democracy, human rights, and rule of law’ (Canadian International Development Agency [CIDA] n.d.). This decision was taken almost at the same time that the International Criminal Court (ICC) issued a warrant for the arrest of Omar Hassan Ahmad Al Bashir, President of Sudan, for war crimes and crimes against humanity.

Western diplomats like to refer to ‘quiet diplomacy’, the practice of discussing political sensitive topics behind closed doors as a means for achieving policy objectives. But, as a cable from WikiLeaks (2011) has revealed, disrespect for Ethiopians’ democratic rights is internalised at the highest political level. When ask about the success and real outcomes of their quiet diplomacy, the diplomats usually have no comments to
make. This is in spite of abundant public evidence of ‘One hundred ways of putting pressure’ on ordinary Ethiopians in order to suppress critical voices of dissent (Human Rights Watch 2010b). In an interview from prison with Pambazuka News (2010), the now released former opposition leader Birtukan Midekssa noted that ‘People in Ethiopia, particularly in the rural areas, do not have access to important political information because of exclusive government control of the media.’

For local observers, the 2010 landslide victory of the ruling regime was not much of a surprise, as there was little doubt in the regime’s extraordinary ability to hijack the democratic process and fudge results in its favour. In the end, cementation of the status quo also allows Western donors to proceed with their business-as-usual approach in their political and aid relations with Ethiopia. The faint semblance of democratic legitimacy of the Meles Zenawi regime suffices for justifying engagement with the devil they know. Of course there are a few exceptions among the community of diplomats, some of whom can be counted on as genuine friends of the Ethiopian people. But ultimately, the marching orders for the imperial realpolitik are set by the ‘coalition of the willing’, led by the United States.

A curtain pulled on democratisation

One month before the election, Helen Epstein accurately assessed the political situation in Ethiopia (Epstein 2010). She pointed out that the representatives of the aid donors prefer to focus on the symptoms of Ethiopia’s many problems. For example, when discussing food security issues the debate revolves around climate change, the erosion of soils, logistics infrastructure or even the food preferences of the poor as explanatory factors. But as Epstein plainly states, hunger in Ethiopia today, just as during the tragic famine of 1984, is primarily caused by politically motivated human rights violations.

The geo-strategists in the donor country governments remain inept when it comes to drawing developmentally relevant conclusions when confronted with ongoing systematic human rights violations, an opinion shared by the International Crisis Group (ICG), led by Louise Arbour, former United Nations Commissioner for Human Rights.

In the view of the ICG, ethnic federalism as enforced by the EPDRF is one of the triggers for internal conflict in Ethiopia, especially with regard to access and use of resources. To the degree that donors tolerate and work through such a repressive system, they will continue to preoccupy themselves with trying to plug holes at the project and programme level, rather than address the serious democracy deficits that lead to the perpetuation of poverty and political exclusion in Ethiopia (ICG 2009).

Seen in terms of a simple logic chain, Ethiopia’s long-standing proneness to famines is minimised as food security gains ground. But what lurks below the technocratic surface of addressing food security issues are the roots of famine politics. Such politics can have direct live-or-die implications for those without a political voice. This is painfully true for millions of Ethiopians, de facto disenfranchised people in ‘a country where dissent is suppressed and, where at all possible, information carefully controlled’ (Orthofer 2010).5

Against this bleak background, it comes as a surprise that the US Senate is debating a bill that calls for a participatory, multiparty system in Ethiopia that allows space for an active civil society to flourish. It remains to be seen if this bill passes and gets implemented (US Senate 2010). Indeed, Ethiopia’s growing financial vulnerability represents an opportunity ‘to impress onto the Meles administration that its increasingly autocratic course has to be reversed. . . . Pledges of further financial and technical support should be clearly linked to an improvement of the political and human rights situation in Ethiopia’
From a theoretical perspective there is ample reason to believe that democratic deficits, weak accountability structures and representation mechanisms often lead to bottlenecks for citizen participation in the public sphere; finding effective channels of voice can turn out to be an elusive goal, notably at a time when unilateralist globalisation agendas collide and undermine existing forms and manifestations of democracy, security, peace and sustainable development (Hardt and Negri 2004). Ethiopia today can serve as a case in point.

For now it is obvious that, after the election scare of 2005 which almost led to regime change in Ethiopia, the Meles Zenawi regime left nothing to chance in 2010. Not only was the election commission EPDRF appointed; its members were mostly associated with the ruling party. Apart from some token independent election observers, EPDRF party members were among themselves and unobserved in the polling stations. On election day, for obscure ‘security reasons’, most diplomats were prevented from leaving the capital Addis Ababa. Vote counting was largely done by EPDRF loyalists. Unnamed sources reported that shortly before election day large numbers of additional polling stations were set up. This was done to ensure that the Medrik opposition was unable to dispatch its own observers to all locales. It is impossible to estimate how many cast ballots were fished out of the ballot boxes by EPDRF ‘observers’. But it has been estimated that EPDRF party members received up to five voting cards each to enable them to cast multiple votes. Hardly surprising, then, that the EPDRF received about 25 million of 30 million votes cast.

In Ethiopia, as in Afghanistan in 2010, those who ballot-count win the elections. Here as there, democratic aspirations and promises are systematically frustrated with the support of those international countries claiming to be champions of freedom and development. Ethiopia’s state institutions, dominated by the minority Tigrayans who dominate the ruling EPDRF, serve narrow partisan economic and political interests. The train to democracy has run onto a dead-end track in Ethiopia and the passengers have paid full fare. Critical commentators such as René Lefort believe that the political future of Ethiopia will oscillate between two extremes: stabilisation of the existing authoritarian regime and gradual accommodation of marginalised ethnic groups on the one side, or armed rebellion, possibly along ethnic dividing lines, on the other (Lefort 2010).

Meanwhile, the Ethiopian regime maintains its tight control over the political sphere and the media, obviously nervous that the wildfire of popular protests calling for democratic space raging across the northern Africa and Middle Eastern regions could reignite throughout Ethiopia itself. Outspoken journalist Eskinder Nega, who has compared conditions in Ethiopia with those in North African states hit by popular protests and political upheavals, continues to voice his views online, but at the risk of being detained and harassed by federal police (Voice of America 2011).

Without reliable democratic friends amongst its international partners, Ethiopia will most likely be waiting for a long time to experience sustainable development progress within the institutional framework of a popular democratic political system. For now, the majority of Ethiopians donors and their political representatives distinguish themselves as friends and enablers of a manipulative and uncompromising regime. Ethiopians deserve distinctly better friends than that.

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Notes
2. ‘While they [were] openly critical of the elections, [donors] never put into question the pursuit of their aid. Following the 2005 elections they had suspended part of it, only to reinstate it and even increase it a few months later, with just a change to its distribution network’ (Lefort 2010).
3. Another diaspora blog, Ethiopian News and Opinion Journal (2009) reported that Azeb Mesfin was appointed Deputy CEO of the Endowment Fund for Rehabilitation of Tigray (EFFORT), a conglomerate consisting of over 60 companies. The businesses controlled by EFFORT are said to include Mesfin Industrial Engineering, Sur Construction, Addis Pharmaceutical Factory (APF), Almeda Textiles Factory, Express Transit Service Plc (EXTRAN), Ethiopian Experience Travel (EET), Ezana Mining Development (EMD), Guna Trading House, Hiwot Agricultural Mechanization, Saba Dimensional Stones (SDS), Sheba Tannery Factory, and Trans Ethiopia.
4. During a meeting on 31 January 2010, in Addis Ababa, between Under Secretary for Democracy and Global Affairs Maria Otero and Meles Zenawi, the Ethiopian ruler is reported in a confidential cable to have stated: ‘Meles said his country’s inability to develop a strong democracy was not due to insufficient understanding of democratic principles, but rather because Ethiopians had not internalized those principles’.
5. According to the Food and Agricultural Organization (FAO 2011), some 44% of Ethiopia’s population of approximately 79 million is undernourished, a situation further illustrated statistically by a new index, the Multidimensional Poverty Index, according to which Ethiopia ranks second last, just ahead of Niger (Oxford Poverty & Human Development Initiative, 2010).

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DEBATE

Who wants to be a millionaire? Nigerian youths and the commodification of kidnapping

Oarhe Osumah and Iro Aghedo

Introduction

Kidnapping has become so pervasive in Nigeria that there is now a palpable apprehension among the people who are unsure of whom the next victim will be. The crime has become a veritable commodity in the hands of its perpetrators who apparently have now made a multi-million naira business out of it.

In a number of cases, whilst agents of the state have helped to negotiate with and pay the kidnappers in order to release their victims, there are cases where employees of banks and state security agencies have allegedly colluded with kidnappers (Yun 2007, Adekoye 2009a). Kidnapping is neither historically new nor peculiar to Nigeria. Historically, the rivalry generated by nineteenth-century slave trading was characterised by raids, piracy, abduction and kidnapping of able-bodied men in Nigeria, especially in the Niger Delta region (Ikime 2006, p. 211).

Modern kidnapping has emerged as an instrument of engagement for economic survival, securing political and business advantage over rivals and co-competitors. Kidnapping is quite widespread and indiscriminate regardless of nationality, age or profession, and is largely undertaken with impunity. Some victims have been released after huge ransom settlements, yet others have been brutalised by kidnappers. Among reasons given for kidnapping are: for ritual sacrifice (Oguseri 2007); economics; and political vendetta.

Our analysis aims to account for this pervasive phenomenon of kidnapping in Nigeria and uncover the reasons for and predispositions to commodified kidnapping in relation to the role of the state in both the emergence and the management of kidnapping. The analysis examines some of the theoretical discussion of youth and restiveness in Africa, the nature of the Nigerian state, the social forces that impel kidnapping and it gives a conclusion.

Conceptual framework

As deployed in this paper, ‘commodification’ refers to the process of kidnapping as well as actual exchange of forcefully abducted individuals for the pecuniary gain of the perpetrators. Kidnapping is a criminal act involving the seizure, confining, abducting and subjecting of a person to servitude by force against their will, threat and deceit with the intention to receive ransom, and forcing the person to commit crime or with the intent of harming the person (Goldberg 2000).

The youth

Youths (aged 15–35) constitute the majority of the African population. The meaning,
conception and perception of youth are, however, dependent on cultural and contextual specificity (Christiansen et al. 2006). Once seen as the hope of the continent, African youths are now seen as ‘dangerous, criminal, decadent, and given to a sexuality that is unrestrained and threatening for the whole society’ (Diouf 2003, p. 4). The African youth is now characterised as ‘lumpen’ or ‘loose cannons’ in an attempt to explicate their role in African civil wars (Abdullah 1998, Kaplan 2006, pp. 118–189). Excluded from the public space, work, education and leisure, the African youth has now carved out a social space in a marginal geography and culture that is resistant to the mainstream or dominant culture (Diouf 2003, pp. 5–7). For young Africans, engagement with the state becomes ambivalent, combining elements of ‘complicity, insurgency, monitoring and disengagement’ (Gore and Pratten 2003, p. 211). They have been held responsible for leading their country to the ‘bush path to destruction’ (Abdullah 1998, p. 204); or described as a ‘social category in crisis, being excluded, marginalised, threatened, victimised, abused, and consequently angry, bitter, frustrated, desperate and violent’ (Osaghae et al. 2007, p. 5). Furthermore, the youth more than other social categories also suffer increasing neglect (Vigh 2006a, 2006b). Consequently, some of them resort to aggression, violence and criminality against society, especially those they perceive as being responsible for their predicament and hopeless future.

Character of the Nigerian state

Nigeria is a richly endowed nation in terms of human and material resources, but it is itself underdeveloped. Despite its enormous oil wealth, the state is unable to provide adequately for its teeming population of over 140 million. Material conditions for many of its citizens are harrowing and unkind owing to limited economic opportunities and people’s inability to fulfil their genuine and legitimate aspirations. In Nigeria over 70 million people live below the poverty line (Abati 2009a, p. 51). The average income is about US$1/day; and ‘a fifth of children die before their fifth birthday’ (Peel 2005, p. 2). The rates of unemployment, poverty and infrastructural decay are very high.

The socio-economic frustration of many Nigerians, resulting from the failure of the nation-state project, the cumulative adverse effects of the structural adjustment policies of the 1980s, the psychological brutalisation of nearly two decades of continuous repressive military dictatorship, coupled with the ready availability of firearms, accentuates disengagement from the state (Sesay et al. 2003, pp. 18–21). Thus, the control of the state is located in a complex of conflictual interactions between the elites and the idle, frustrated, angry and disenchanted all over the country (Imobighe 2003, p. 14). This army of unemployed and angry youth often employs disorder as a political instrument for economic benefit (Chabal and Daloz 1999). Since 1999 alone, civil disturbances and sectarian violence, partly occasioned by the introduction of Sharia law for criminal offences in many northern states, have resulted in the death of thousands of people, including an estimated 8000 between 1999 and 2002. This violence was essentially instigated by youth with scanty means of self-actualisation (Reno 2004, p. 219).

The fundamental basis of the organisation of the Nigerian state is personalisation, corruption, predation and brazen abuse (Amuwo 2009, Lewis 2004). Thus, an opportunity to serve is perceived as a chance to loot state resources (Imobighe 2003, p. 14). In line with the argument of Bayart et al. (1999), the state is criminalised and the corollary disorder of criminalisation is instrumentalised not only by the power elite, but also by those deprived who then resort to anti-state activities such as kidnapping for survival.
Like many African states, the Nigerian state is fragile and failing (Chabal 2005). This is indicated by its inability to manifest justice, fair play and equity in the process of governance. This is reflected in the underperformance of its institutions and their fast-shrinking legitimacy and authority. The institutions of the state such as the security agencies are weak, inept and lack the capacity to discharge their statutory responsibilities effectively. In particular, in the face of the increasing crime rate only a whimper comes from the Nigeria Police Force (Osumah and Aghedo 2010, Harnischfeger 2003, pp. 23–24). Consequently, there is a high number of informal security groups, such as street gangs, ethnic militias, rebel groups, cult groups and ‘area boys and girls’ which have emerged to fill the vacuum created by inept security forces (Meagher 2007, p. 100, Sesay et al. 2003, p. 41, Smith 2007, p. 186, Ukeje and Adebanwi 2008, p. 574).

These fundamental attributes of the Nigerian state shape, condition and create in the ranks of the oppressed citizenry an increasing consciousness and realisation of the insensitivity and unresponsiveness of those who control the affairs of the state to their plight: hence the proclivity and disposition to participate in violent crimes such as kidnapping and armed robbery. Flowing from the above, the state and youth participation in kidnap operations for ransom are closely interlinked. A state that is largely unresponsive to the genuine and legitimate needs and aspirations of its youth is likely to elicit violence and anti-state engagements, such as commodified kidnapping, from the deprived and depressed youth.

Aspects of kidnapping

Forms of kidnapping

Kidnapping takes various forms and motivations in Nigeria. For analytic purposes three forms can be identified: the ritual-oriented, politically motivated and business-related. The ritually oriented kidnap is the oldest form of kidnap. Initially, the targets and victims of the masterminds and sponsors of this form were in most cases children, lunatics and the physically challenged. In ritual kidnapping the victims are usually killed and dissected, with vital human organs such as private parts and armpit hair removed, ostensibly for sacrifice and money-making rituals.1 This form of kidnapping has been going on unreported for years.

Another form of kidnapping is the politically motivated type. This is largely a function of the neo-patrimonial character of the African state which makes political actors place a high premium on power and employ any means to acquire power for self-regarding gains (Chabal and Daloz 1999). This form of kidnap booms in areas characterised by youth underclass phenomena such as cult groups, school-dropouts, touts and area boys who are readily available for mobilisation by desperate politicians. A classic case of political kidnap was the abduction on 10 July 2003 of the serving governor of Anambra State, Dr Chris Ngige (Smith 2007, pp. 125–130).

A third form is the business-oriented form of kidnapping which is usually fuelled by business rivalry. Here the perpetrators sponsor and fraternise with kidnap gangs for protection and fortification of their business interests and trademarks as well as to curtail stiff competition from business rivals.2 However, the Otokoto episode in the Eastern part of Nigeria and the Clifford Orji episode in Oshodi-axis of Lagos brought money-making kidnapping to the limelight in the 1990s (Smith 2007, pp. 138–141). Instructively, these various forms of kidnapping are underpinned by a common motivation which is a compulsive accumulative tendency.

Social profile and motivations of the kidnappers

Most kidnappers are essentially young unemployed persons and students of universities. Although most arrested kidnap
suspects have been young men, there have also been some young females among them. This suggests that gender has little bearing on kidnapping. While some kidnap suspects are self-motivated, a large proportion of them have ‘barons’ and financiers. Collusion has been a major driver of the criminal industry, as there has been alleged involvement of some bank officials, traditional rulers and top businessmen in kidnap operations.3

Since Nigeria implemented the Structural Adjustment Programme in the 1980s, living standards for the masses, particularly the youth, have declined. The majority of Nigerian youth has therefore been entrapped in poverty. Consequently, most of the idle, unemployed, frustrated, and desperate youths in both rural and urban areas need little motivation to partake in violence and criminality as it offers them the opportunity to reposition themselves in the economic space of inclusion (Osaghae 1999).

However, the ‘exit’ of the youth from the ‘existing state’ in Nigeria takes various forms including illegal migration to Europe and other Western states, local and international prostitution, armed robbery, internet fraud (locally referred to as Yahoo), human and drug trafficking, fake-document syndicates, smuggling and piracy (Glickman 2005, Osaghae 1999, van Dijk 2001). Commodified kidnapping is therefore only one of the available ‘exit’ options for the excluded and marginalised Nigerian youth. According to the Inspector General of Police, Sir Mike Okiro, kidnappers and hostage takers in Nigeria have pocketed ransoms of over US$100 million in 2008–2009 (about N15 billion).4

The victims, targets and trends of kidnap operations

The victims and targets of kidnap gangs have been people of high economic value such as traditional rulers, religious leaders, business moguls, leading officials of industries, top military retirees, legislators, international professional football (soccer) stars, and other prominent individuals and their close relations, young or old. Victims of kidnap operations cut across nationalities, age, gender and class. For instance, a three-year-old British girl and a visiting Canadian woman were among recent victims.5 Targeting of affluent individuals by kidnap gangs underscores the desperation of the kidnappers to escape from the shackles of economic want and misery. The status of those targeted suggests that the kidnappers perceive them to be the cause of their pauperisation, exclusion, marginalisation and inability to meet their basic needs (Imobighe 2003, p. 30). As has been noted, youth combatants in Africa ‘navigate no simple path of modernity in their contestation of gerontocratic powers’ (Christiansen et al. 2006, p. 21).

Kidnapping has assumed unprecedented dimensions in Nigeria. Between 1991 and 2000 alone Nigeria ranked ninth behind nations such as Colombia, Mexico, Russia, Philippines and Venezuela. Recently, the ASI Global Response rated Nigeria second to Iraq in terms of the greatest risk of kidnapping of foreign workers. Between January and May 2009 the police in Anambra State arrested 31 kidnappers and killed 18 in various operations. In Enugu State 20 cases have been recorded. Several persons have been killed and over N250 million paid out in ransoms. In Edo State, particularly Benin City, high-profile kidnapping has become rampant. Over 20 prominent businessmen and relations of the affluent have been said to be victims of recent kidnap cases. The most recent high-profile kidnap victims include the wife of a serving commissioner, the father of a current member of the State House of Assembly, a retired Major-General of the Nigerian Army, and the directors of a major filling (petrol) station and a prominent transport company.6
The geography of ransom kidnapping has been varied. It started in the Niger Delta region, where it was employed as a negotiation strategy by militant youths in their agitations for an equitable share in oil-revenue allocations from the Nigerian state and better community development engagements from the oil multinationals operating in the Delta in January 2006. The targets of kidnap operations in the Niger Delta were mainly expatriate oil workers. However, in the twilight of the Obasanjo administration in 2006, kidnapping spread to other parts of the country, particularly in the South Eastern states such as Anambra, Abia, Enugu, Ebonyi and Imo. Several cases of kidnapping have been recorded in other states of the country including Edo, Delta (South–South), Lagos, Ekiti and Ondo (South–West), Kaduna and Kano (North–West), and the Federal Capital Territory, Abuja (North–Central). Between January 2008 and June 2009 alone the Police Affairs Minister Yakubu Lame claimed that Nigeria recorded a total of 512 cases of commodified kidnapping. Analysis of newspaper reports (not shown) suggests that this represents an increasing trend since 2007.

Instructively, prior to the close of the twentieth century, although there were no statistical data on the cases of kidnapping, it was neither as rampant nor commodified as it is in recent times. Since the end of the Obasanjo administration (1999–2007), the Nigerian economy has been prostrated owing to the near collapse of the power and energy sectors required to power the manufacturing sector and small-scale industries. At the same time, the power and business elite bought up the national inheritance in the guise of privatisation and perpetrated mind-boggling corrupt enrichment. The financial and material resources were diverted and mobilised in a brazen manner from the nation’s account for intra- and inter-party political contest (Amuwo 2009). In a display of ostentation, they cruise around the cities in expensive, imported and air-conditioned limousines, jeeps and sports utility vehicles (SUVs) to the envy of the poor, especially the youth who therefore seek any possibilities of escape from deprivation and squalor.

The increasing trend is indicative of the weakness of the state security apparatuses to live up to their statutory responsibility of protecting lives and property, and of the declining economic fortunes in the country. Though the phenomenon of kidnapping resonates in various parts of the country, there has been a higher concentration of it in the South, particularly the South Eastern region, which is home to the Igbo-speaking people who are known for commodity trading. Furthermore, the market value of the victims and targets exchanged in the commodified operation as well as the ransom demanded by or paid to the masterminds of the kidnap operations reflect the materialistic and acquisitive appetite of the kidnappers as well as their desperation to extricate themselves from deteriorating economic conditions (Akhaine 2009, Amaize 2008, Anyanwu 2009, Ero 2009, Ocholi 2009, Oguseri 2009).

**Kidnappers’ methods and scale of ransom**

Kidnappers adopt various ruses and tactics to get at their victims and targets. Some of these tactics include posing as lunatics, pastors and security operatives to prey on their unsuspecting victims. A case in point is the recent arrest of a couple in Benin City for ritual kidnapping (Oguseri 2007, pp. 48–50).

Ransom kidnapping has also involved collusion between the perpetrators of the crime and financial institutions such as banks, and prominent individuals including traditional rulers and politicians (Alexander 2009). The kidnap gangs are usually armed with pistols and shotguns. They use these weapons to frighten their victims and kill
those who resist them. The weakness of the state has resulted in widespread proliferation of small arms in Nigeria (Sesay et al. 2003, p. 41, Reno 2004) and this enables criminals to operate with relative ease and impunity. For instance, when a nine-year-old boy was kidnapped on 29 January 2009 in Port Harcourt, his 13-year-old sister who was taking him to school was shot dead because she resisted the kidnap of her little brother.

They operate solo and in gangs at times numbering 30 persons. Kidnap gangs usually have their hideouts and operational bases in the thick forest, uncompleted buildings and remote villages. They wait in ambush for their targets in residences, at school gates, offices, highways, places of religious worship and other venues of social engagements (Onovo 2009). Kidnappers abduct and detain their victims in hideouts while they establish contacts through telephone conversation with close relations of the victims to negotiate their release. The victims are released after huge ransoms have been paid. The ransoms demanded are usually in the millions (Vanguard 2007).

Often the kidnappers detain their victims for as long as two weeks to enable their relations to get the ransom demanded before their release. Where the relations of the victims are not willing to pay or quick in paying the ransom demanded, the kidnappers threaten to and in some cases kill victims. Indeed, kidnappers have become increasingly brutal, raping and killing victims sometimes even after huge ransoms have been paid. For example, the proprietors of God Is Good Motors and Alpha Furniture in Benin City were allegedly killed after their captors had received ransoms. The daughter of one of the local government council chairmen in Akwa Ibom State was reportedly bruised, raped and killed by her abductors even after collecting a N10 million ransom and N20,000-worth of mobile phone recharge-cards from her father, who had to take a loan from the bank in order to raise the huge ransom. Sometimes the kidnappers rebuff the relations of their captives who negotiate with a very low offer to secure the release of their relations: ‘We are not here selling crayfish, we are here for business’ (Ocholi 2009, pp. 12–16).

These methods and dimensions of commodified kidnapping indicate the desperation to escape socio-economic marginalisation and political exclusion perceived to be foisted on them by the dominant and exploitative class. It also shows their unbridled quest to reposition themselves in the space of affluence and power. As a result, they see nothing wrong in trading their oppressors to realise their goal. As it were, yesterday’s victims of power abuse and misgovernance have become today’s ‘victors’ through the instrumentalisation of commodified kidnapping.

Furthermore, the use of force (torture, rape, murder, etc.) underpinning kidnap operations also indicates a throwback to military indoctrination and dictatorship. Protracted military misrule especially under Generals Babangida and Abacha (1985–1998) has resulted in a prostrate economy and collapsed socio-economic infrastructure and thus the replacement of virtue with vice in the quest for survival (Jike 2004).

State and civil society responses to kidnapping

The frequency, trends and destructive dimensions of kidnapping are a result of the fragility of the Nigerian state. However, the criminality has attracted several responses from the state and civil society alike. A number of laws have been enacted and some extant laws reviewed in various states such as Edo, Enugu, Akwa Ibom, Abia and Anambra where the phenomenon has been on the increase. In some of these states stiffer penalties ranging from life imprisonment (Edo, Imo and Rivers States) to the death penalty (Anambra and Akwa
Ibom States) have either been proposed or enacted into law (Babington-Ashaye 2009, p. 27, Olisah 2009, p. 24, The Guardian 2009, p. 14).

Security has also been beefed up in the sensitive areas in states that have had a high incidence of kidnap. The police have increased the number of checkpoints around the city centres in many of these states. To strengthen police surveillance, some state governments have provided police commands in their respective domains with operational and logistical equipment (Anyanwu 2009, p. 13). In addition, some states such as Anambra and Edo have established anti-terrorist squads, task forces, joint patrol teams, vigilante services and have even extended an invitation to the Nigerian Army to complement the efforts of the police, State Security Services (SSS) and the Nigerian Security and Civil Defence Corps (NSCDC) (Adekoye 2009b, p. 6, Chiker-uba and Gordi 2009, p. 7).

Some other measures that have been undertaken by the state in response to commodified kidnapping include the partial and outright banning of the use of motorcycles (popularly known as okada) as a commercial means of transportation, the offer of huge rewards for anyone who provides useful information leading to the apprehension of suspected kidnappers, and the proposal of an insurance policy to offset the untoward consequences of kidnapping for businesses and individuals (Babington-Ashaye 2009, p. 27).

To complement state efforts at checking the rising spate of kidnapping, civil society groups and individuals have condemned and protested against the criminal act. For example, the Justice of Peace and Development Commission (JPDC) led 100 people in protest against the increasing rate of kidnapping in Edo State recently (Otabor 2009, p. 8). Furthermore, as a result of the kidnap of a university professor in Ughelli, the Urhobo Monitoring and Development Group (UMOG) staged a peaceful protest across the streets in the major cities and issued a seven-day ultimatum for his release, failing which they would be forced to take the law into their own hands (Amaize 2008, p. 6). In addition, there has been increasing public enlightenment by the media and religious groups on the activities of the kidnappers.

In spite of these efforts, kidnapping remains a booming industry, waxing stronger, and the perpetrators are becoming more daring. This situation highlights the fragility of the Nigerian state (e.g. Maier 2000, Osaghae 2002). Some of the measures such as the proposition of capital punishment in many states have been criticised by Amnesty International as anachronistic, old-fashioned and prone to abuse (The Guardian 2009, p. 14). Moreover, the measures adopted have not addressed the root causes of the crime such as poverty, unemployment and infrastructural decay in Nigeria. Added to the economy of poverty, the state security apparatuses are characterised by systemic corruption, inadequate logistical and operational tools, and ill-equipped personnel (Osumah and Aghedo 2010). These conditions have even encouraged some officials of state security agencies to collude with the perpetrators of crime by offering them useful information, supply of arms, and helping them to subvert the course of justice when arrested and during prosecution (Ukiwo 2002, Manby 2004).

Implications of commodified kidnapping

The phenomenon of kidnapping has a myriad of implications for the Nigerian state, economy, its citizens and even the international community. For analytical convenience the various implications are divided into political, social and economic forms. Politically, the high spate of kidnapping in Nigeria is a symptom of a weak, fragile and failing state, especially in the...
area of security. Many innocent people now feel unsafe.

Kidnapping has further dented Nigeria’s battered local and international image. The government is aware of this notoriety, hence the current rebranding policy of the federal government aimed at changing the negative local and international perception of Nigeria and Nigerians. Though this subject is outside the scope of this work, it suffices to say that the widespread corruption and criminality in Nigeria make nonsense of the government rebranding campaign.

Economically, the feeling of insecurity has serious implications for the people’s survival strategies as they now find it difficult to go about their day-to-day economic activities for fear of kidnapping. The insecurity also scares investors and expatriates, especially owing to their high economic value to kidnap gangs who see them as ‘white gold’. As Abati (2009b, p. 70) argues, ‘Nigeria has become a high-risk investment destination.’

Socially, kidnapping restricts the movement of people, especially at night (Sanyaolu 2008, p. 71). In addition, the prevalence of kidnapping erodes the culture of hard work. Since kidnapping can make one an instant millionaire, the culture of hard work is seriously undermined. In addition to undermining diligence, it also serves to attract law-abiding citizens, especially the army of unemployed youths, into crime. Added to this, the profitable nature of kidnapping makes the crime hard to check, as its perpetrators would find it difficult to accept less lucrative jobs in the formal economy. There is already a growing belief among Nigerian youths that hard work is old-fashioned.

Conclusion and recommendations
Although kidnapping is neither recent nor peculiar to Nigeria, an obvious lesson from this study is that it has been experiencing shifting frontiers in form, trends, dimensions, methods, consequences, targets and victims. The commodification of kidnapping has become an instrument by victims of prolonged power abuse in an attempt to redress the injustice, insensitivity, irresponsibility and unresponsiveness meted out by the trustees of state power. The present conjuncture has provoked diverse responses from the Nigerian state, civil society and individuals condemning the act and suggesting various measures needed to combat the menace. While these various measures are quite appealing and represent bold steps, it is doubted if they can yield enduring solutions. This is because these measures have failed to address the root causes of the phenomenon such as pervasive youth unemployment and decayed public infrastructure.

Consequently, a massive job creation policy is imperative in order to engage Nigeria’s army of unemployed youths productively. To achieve this both government and private industrialists should take up the challenge. Similarly, the current prominence given to inordinate materialist acquisition and an unbridled culture of ostentation need to be de-emphasised, and the value system of the youth reassessed. In the same vein, Nigeria’s justice administration system needs a total overhaul. While there is a strong need for the perpetrators of kidnapping and other criminal acts to be brought to justice, the victims of these crimes also need to be compensated. In particular, the Nigerian security apparatuses are in dire need of reform to be able to face the challenges of twenty-first-century crime detection, prevention and management. To achieve this, the security personnel require proper training and equipment to withstand the dangers posed by commodified kidnappers and other criminals.

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Notes
1. For more on ritual kidnapping, see Nigerian Tribune (2009, p. 13) and Sanyaolu (2008). (All newspapers and magazines cited are those published in Nigeria, except where otherwise stated.)

2. Though the motive of this form of kidnap might be to liquidate business rivals, several millions of naira are usually received by the perpetrators.

3. Several individuals and groups have been implicated on collusion with kidnap gangs including businessmen, traditional rulers and even banks, which are said to leak the account details of their wealthy customers to the criminals (Adekoye 2009a).

4. For more details, see Abati (2009b) and Okocha and Constance (2009).

5. Expatriates and nationals of developed countries are particularly targeted for huge ransoms. The Nigerian government often pays promptly to secure the release of this set of victims in order to avoid embarrassment from the international community (Akhaine 2009, Orji 2009).

6. The retired general was kidnapped from his farm in Edo State and taken through the creeks to Bayelsa State in the volatile Niger Delta region.

7. This estimate is conservative, as some cases are unreported for fear of re-kidnapping.

8. Some popular hideouts of the kidnappers in Anambra have been identified to include Ogbunike, Nsugbe, Ayamelum, a forest between Nawfia and Enugwu, Abakaliki and Nibo (Anyanwu 2009).

References


DEBATE
Canada and the geopolitics of mining interests: a case study of the Democratic Republic of Congo

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The very process of global governance widely escapes the reach of nation-states and national communities. Its binding influence is even more obvious on the African continent, where many states are commonly described as weak, failed or collapsed. Boaventura Santos De Sousa defines ‘globalisation’ as the process by which a particularistic entity manages to expand its influence and power beyond its frontiers, and consequently manages to acquire the capacity to designate as ‘local’ a condition which it captures. According to this perspective, ‘localised globalism’ is characterised by transnational practices that have a binding impact on the local context, which is therefore restructured in order to meet the outsiders’ strategic imperatives. Another form of globalisation, designated as ‘cosmopolitanism’, occurs when transnationally organised allies use the existing norms of the global governance system to serve their shared interests (De Sousa Santos 2008).

The liberalisation of the natural resources sector in Democratic Republic of Congo (DRC) is at the very heart of the globalisation process which is transforming the political economy of the Great Lakes region, thus mediated by the international financial institutions (IFIs) and their conditionalities. Concomitantly, as Béatrice Hibou argues, the DRC state, just like many other countries on the continent, is characterised by a criminalisation of the state largely maintained by cronyism, clientelism and criminality. This process has been deepened by structural adjustment and its correlated economic liberalisation and privatisations of public offices associated with IFI loans (Bayart et al. 1997).

Today, 75% of the extractive industry multinationals – mainly juniors of exploration – are hosted in Canada or registered on the Toronto Stock Exchange (TSX). According to the Ontario Ministry of Northern Development and Mines, in 2006 more than 50% of the world’s mining companies were listed on the TSX and more than 80% of the global mining industry’s investment financing was raised there. The market value of those companies is about Can$380 billion. This concentration of mining companies in this one jurisdiction is not fortuitous: during the last two decades Canada has constituted itself as a legal haven for the extractive industry (Deneault and Sacher 2011).

In the context of a multipolar world, this article will analyse how Canada is positioning itself as an ‘extractive industry power’ by focusing on a Congolese case study, with the aim of reinforcing our understanding of the industrial and financial mechanisms of unequal globalisation.
Canadian mining interests and Congolese geopolitics

Notwithstanding the heavy drain on funds by Mobutu’s oligarchic regime, public mining offices were, until the 1990s, among the rare means of development for the export-oriented Congolese economy. Both the Société Générale des Carrières et des Mines (Gécamines) and the Société minière du Bakwanga (MIBA) were in this regard very lucrative for the state budget. At the end of Mobutu’s regime, the IFIs pressed the kleptocrat to accelerate the political and economic liberalisation of Zaire. His ‘control never ceased to irritate the great transnational mining corporations’ (Baracyetse 1999, p. 10). Responding to the pressure of the IFIs, Mobutu finally agreed to privatisate these public bodies. Among the dozens of foreign corporations that started negotiating with the regime, some were Canadian: Lundin Group, Banro, Mindev, Barrick Gold, South Atlantic Resources and Anvil Mining.

Meanwhile, the Western bloc’s traditional allies were surprisingly and progressively defecting from Mobutu, either strategically, or as a result of the influential factors reconfiguring a multipolar world. Between 1989 and 1994, the Canadian foreign aid budget devoted to Congo reduced to one-thirtieth of its former size, thereby paving the way for a growing subjection of the country to multilateral donors and direct political or economic intervention (Audet et al. 2008). During the preceding decade, over Can$140 million have been channelled to Mobutu’s regime – an amount from which at least Can$16 million would have directly contributed to support this internationally renowned corrupt government (Engler 2009).

Parallel to the trend of substantive claims for democracy, the Alliance des Forces Démocratiques pour la Libération du Congo (AFDL) led by Laurent-Désiré Kabila organised a rebellion in the bush, supported by Rwanda, Uganda and backed by the United States.

At the end of 1996, breaking with its diplomatic habit of discretion, the Canadian UN Ambassador Robert Fowler pressed the international community to give Canada the leadership of a multilateral humanitarian intervention force in the eastern part of the DRC (Hay 1999). The resolution setting up the United Nations Mission in DRC (MONUC) was only adopted in 1999; before this point, the United States objected to any multilateral intervention. The instability actually seemed better to serve the strategic and economic interests of the two Anglo-Saxon allies: ‘in reality, all diplomatic agencies are waiting for the end of Mobutu’s regime, while counting on the damages being limited’ (Willame 2010, p. 83).

Illegal exploitation by foreigners started with this first war of liberation in 1996. The collapse of Congolese political authority and its administrative system was inviting for neighbouring country elites, as well as for a wave of ‘new businessmen’ speaking English, both of which commenced their operations in the war economy of the eastern DRC. Rwandans and Ugandans developed a strong sense of the accessibility of natural resources. Meanwhile, some embassies and cooperation agencies of developed countries facilitated the purchase of those illegal minerals (United Nations Security Council 2001, 2002).

The coincidence between the AFDL’s long march on Kinshasa, the mapping of rich concessions, contracts signed with foreign mining companies and the illegal mineral trade flows (Figure 1) is troubling. As the AFDL conquered the capital, Western companies had financed and furnished logistical help to the new facilitator of their interests and his regional allies. As is common knowledge since the publication of the 2001 Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of the Congo:
Figure 1. Conquest of Kinshasa. (a) Route taken by the AFDL. Source: Cros and Misser (2006); and (b) Flows of regular trade and looting in Central Africa. Source: Braeckman (2009).
the role of the private sector in the exploitation of natural resources and the continuation of the war has been vital. A number of companies have been involved and have fuelled the war directly, trading arms for natural resources. Others have facilitated access to financial resources, which are used to purchase weapons. Companies trading minerals, which the Panel considered to be ‘the engine of the conflict in the Democratic Republic of the Congo’ have prepared the field for illegal mining activities in the country. (United Nations Security Council 2001, section 215)

Even before he had official access to power, Kabila had concluded one-sided contracts (contrats léonins) (Lutundula 2006) with numerous foreign societies. Chasing away Europeans’ interests, the companies that entered the country during this turning point were mainly Canadian and American:

Often these leaders are paid by businessmen, political dignitaries, local and foreign, to ensure the security of the mines, the concessions, and the industrial perimeters of agro-commercial plantations. Their desire for peace is conversely proportional to their will for personal enrichment and their money-mindedness. (Blanc 2001, p. 36)4

The United Nations pleaded for a ceasefire and the withdrawal of all foreign forces without it being accompanied by strong measures from its members.

In this regard, numerous public or parliamentary inquiries,5 official reports and public documents6 pinpointed the highly problematic presence of Canadian companies at that time of the conflict. Eight Canadian companies have been cited by the United Nations Panel of Experts as having participated in one way or another in the looting of Congolese resources during the war.

The following are examples as set out in Alain Deneault et al.’s Noir Canada: pillage, corruption et criminalité en Afrique (2008). One month before they arrived in Kinshasa, the Kabila clan signed three contracts with First Quantum Minerals (FQM) for the Kansanshi and Lonshi mines in Katanga, worth Can$1 billion. According to the Lutundula Commission (2006), the Lonshi concession was given to the Canadian company without any counterpart. FQM is alleged to have proposed a thin US$100 million to the Congolese state, and in particular, cash payments and shares for some public officers. Between 1997 and 2001, the value of its stocks on the Vancouver Stock Exchange (VSE) grew from zero to close to US$140 million. Since the mid 1990s, when the Foreign Affairs Minister and former conservative Prime Minister Joe Clark became the company’s special advisor on Africa, FQM has become more active in many parts of Africa.

The Tenke-Fungurume mine concession was awarded by Mobutu in 1996 to the Vancouver-based Lundin. But after the AFDL victory in Lumumbashi, the Canadian company, via its Eurocan subsidiary, guaranteed its investment with Kabila by signing a new agreement on the exploitation of this very promising concession of cobalt and copper. Meanwhile, the Consolidated Eurocan Ventures stock rose from Can$0.20 to Can$3.50. The former Canadian Prime Minister Jean Chrétien was at that time representing Tenke-Fungurume Mining, a joint venture with the Congolese state.

In exchange for logistics and armaments to Kabila, Dan Gertler’s International Diamond Industries received the monopoly on the marketing of diamonds for an eight-month period, before the World Bank and the International Monetary Fund (IMF) demanded the suspension of the agreement. In 2003, its Montreal-based subsidiary Emaxon signed a new contract with the MIBA, at 50% of its real value, authorising the Canadian company to market 88% of the diamonds.

The Toronto-based Kinross was less fortunate in its attempts to negotiate with
Kabila. It had to conclude a partnership in the tax haven of the British Virgin Islands with the Belgian Georges Forrest who “used his position in the elite network in an attempt to control the mining sector in the Democratic Republic of the Congo” (United Nations Security Council 2002, section 45).

When Kabila tried to renegotiate these excessively unfavourable contracts, his authority was threatened in some parts of the Congolese territory. Headed by AMFI, some of these companies had changed sides and renegotiated with whoever was on the ground, their only criteria being their ability to secure their property: “several mining companies had been cited for having financed military operations in exchange for advantageous contracts in the east of the DRC: [the Canadian] Barrick Gold …, the Australian Russel Ressources [sic] …, the Austrian Krall, the Canadian Banro American Ressources” (Braeckman 1999). Deneault et al. (2008) add that “AMFI, Banro, Barrick, Mindev and, in the petroleum sector, Heritage Oil by their presence rekindle conflicts, when they are not fueling them” (Deneault et al., p. 108).

Anvil is an Australian company incorporated in Vancouver, registered on the TSX and managed from Montreal. First Quantum was its majority shareholder when, in October 2004, the Mouvement révolutionnaire pour la libération du Katanga (MRLK) forcibly occupied the Kilwa concession that was operated by the firm. At that time, Anvil provided trucks, drivers and other logistical support to soldiers of the Congolese Army sent at Kilwa to subdue the MRLK. The company would be thus complicit with the national army, itself allegedly responsible for the murder of 73 persons including 28 summary executions.

Among the last contracts examined in the 2009 report of the Committee for the Review of Mining Contracts in DRC (2009) was the Kingamyambo Musonoi Tailings (KMT) project. The Congolese government was pressured by the Canadian Ambassador in the DRC, Sigrid Anna Johnson, backed up by Hillary Clinton, to review its decision to cancel the contract involving Vancouver’s FQM (Vivien et al. 2009). The sovereign conclusion of the Review Committee was decisive on the outcome of this contract: cancellation. This mining project is potentially one of the most lucrative in the world.

During the same period, international creditors of the Paris Club were meeting in order to evaluate the terms of a new agreement with the IMF. Canada was the only one of the 19 countries present to exercise its veto against the conclusion of an agreement. It required the government to improve its business climate and to reconsider the decision of revising the KMT and the Banro contracts (Le Potentiel 2009a). The KMT case was a major Canadian issue during the G20 summit held in Toronto in June 2010 (Le Potentiel 2010).

Since autumn 2009, World Bank President Robert Zoellick has been exerting his influence on DRC authorities to uphold the Kingamyambo Musonoi Tailings contract between the Congolese state, FQM and the International Finance Corporation (IFC), the World Bank agency working with the private sector. Since 2005, the World Bank has been a 7.5% stakeholder of the project, as it has invested US$5.9 million (Le Potentiel 2009c). Currently, as the DRC government has stripped FQM of its mining permit, it is unclear whether the Canadian corporation will suspend its lawsuit against the state for US$4 billion, almost half the level of the DRC’s public debt (Le Palmarès 2009).

In October 2009, the IMF was winning its long struggle against the famous ‘Chinese contract’ signed in 2007. This unequal agreement provided for a US$9 billion investment in the mining sector (Le Potentiel 2011). Since the Congolese state
had to give a guarantee on the investment, the IMF considered the Chinese contract too risky for the debt burden. The IMF warned the DRC that it might have to renounce its new loan agreement as well as the external debt relief that the country had been awaiting since 2003 (Vivien and Millet 2009).

If the Chinese investment was far from ideal, above all it bypassed the Bretton Woods institutions and their conditionalities, which are strong components of unequal globalisation mechanisms. Canada has played a major role in developing the model regulations implemented in the new generation of the IFIs’ mining codes. The advantages of these mining codes are almost exclusively conferred on the industry at the expense of state budgets, economic sovereignty, populations and the environment.

Framing a global climate for mining investment

During the 1990s, as a fundamental conditionality of structural adjustment, the indebted countries rich in mining resources were asked by the IFIs to adopt new mining laws and regulations. These programmes are designed in order to implement macroeconomic structural reforms that are supposed to favour the entry of foreign capital and investments and consequently, economic growth. The participation of the state in the mining sector is discouraged. Withstanding this pressure for privatisation of the mining sector in order to reduce the budgetary deficit was one of Mobutu’s greatest acts of resistance in the economic field.

After Laurent-Désiré Kabila’s death in January 2001 and the renewal of the peace process, his son, Joseph, was designated his successor. In his first public declaration, Joseph Kabila announced his wish to break radically with his father’s politics by announcing his intention to reform the monetary system and liberalise markets in the near future. He promised to adopt new regulations regarding natural resources (Braeckman 2001). After an absence of 10 years in the DRC, the IFIs were returning in 2001 (Mazalto 2004).

As one of the Multilateral Investment Guarantee Agency (MIGA) administrators, Canada participates in decisions over whether project should be approved. In 2005, MIGA awarded US$13.6 million to a project in the DRC. Anvil was amongst the principal operators of this project. At the time it received these funds, serious allegations of war crimes circulated regarding the corporation’s involvement in the massacre of Kilwa (Canadian Network on Corporate Accountability 2007). The Association of Congolese Jurists and Law Students of Canada has for years been trying to instigate criminal procedures against the Montreal firm regarding this alleged complicity. In response to such allegations, ‘Anvil confirmed that it provided “logistical assistance” to the Congolese armed forces, but claimed that its vehicles were “requisitioned” and that it effectively had no choice but to comply. In June 2005, Anvil issued a press release denying the accusations in the complaint’ (OECD Watch 2005).

Following this return of the IFIs, three new codes – a mining code, a forestry code and an investment code – were drawn up under the auspices of the World Bank and the IMF within the scope of the Emergency Multi-sector Rehabilitation and Reconstruction Project. According to Marie Mazalto (2004) from the Research Group on Mining Activities in Africa (GRAMA), the plethora of stabilisation and reflationaly policies introduced by the World Bank Project particularly transformed the Congolese economic framework. It was marked by extremely rapid implementation, deep involvement by the IFIs, and the lack of contribution from national agencies in policy formulation, even if the proper application of the
reforms remains the responsibility of the DRC.

The Pretoria negotiations of 2002 resulted in the signature of the Global and Inclusive Agreement, which marked the first step towards international recognition of the end of the war and the advent of relative peace in the Great Lakes region. This agreement provided for the establishment of a Constitution of Transition and a government formed with a broad coalition of representatives from different factions, who were former enemies. The responsibility to adopt and implement the World Bank’s mining code fell to this unelected transitional government of the National Assembly (Mbelu 2007).

The new Congolese mining code is presented as the third best in Africa, as regards advantages conceded to investors. Its tax regime is comparable with other mining states such as Ghana, Mali or Tanzania. Within its provisions, the role of the private investor is as shareholder, operator and taxpayer. The role of the state is restricted to the promotion and regulation of the mining sector. The former code of 1981 required mining operators to serve the general interest of the Congolese people: consequently, the state had the power to impose on the foreign companies some national development obligations (infrastructure, services to communities, etc.). The new code transfers to the company the responsibility to design and implement those types of initiative according to their own standards (Mazalto 2004). It will be seen that this voluntary social responsibility is exactly what Canada promotes for its industry.

Tax rates are set at around 4%, customs fees on imports are reduced and none is required on exports. These rates are largely insufficient to break with the structural outward orientation of the Congolese economy and reinvigorate an articulated and sustained path of self-development. Furthermore, a major proportion of those revenues escapes the public treasury – US$1.5 billion over 18 months, according to the Congolese Interministerial Commission of Audit and Good Governance (Le Potentiel 2008). The administration’s failure to fulfil its mandate is attributable not only to prevarication; but also to the structural inability of the state to fulfil its administrative duties as a result of the profound institutional changes required by the IFI.

Moreover, mining operators – and Canadian projects in Congo in particular – are often managed from tax havens and other offshore jurisdictions. This means that their activities are not contributing substantially to the budget of any state. According to the Lutundula Commission, this would have been the case for most of the Canadian corporations active in the Congo: Kinross-Forrest Ltd was registered in the British Virgin Islands; the Montreal-based Emaxon was managed from Panama; Lundin Group’s subsidiaries are located in the Cayman Islands, and so on (Deneault et al. 2008).

Canada has historically been one of the main contributors to the Bretton Woods organisations and was one of the first Western countries to have promoted and financed the IFI structural adjustment programmes. It shares its office in the IFIs with Ireland and a collection of British dependencies and notorious Caribbean tax havens: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, and St Lucia, as well as St Vincent and the Grenadines (Department of Finance Canada 2008). Within the process of framing the new generation of mining reforms that are implemented worldwide, the extractive industry, three-quarters of which is located in Canada (Department of Foreign Affairs and International Trade Canada (DFAIT) 2009), joined the World Bank as the institution consulted 80 companies (Campbell 2004). Regarding the new investment climate in Africa, Denis Lagacé claimed, at the Mining Procurement Seminar held in Montreal in 2007, that
Natural Resources Canada was the only non-African actor participating in this work (Lagacé 2007).

Under the provisions of the new Congolese code, the Gécamines saw close to 2800 km$^2$ of its concessions as well as 37,000 km$^2$ of its exploration zones privatized. Only 1500 km$^2$ are left in the public sector (Congo Indépendant 2009), from what was some years earlier one of the largest companies of its kind in the world. In a recent study, the Belgian researcher Yan Gorus estimated that 85% of Katanga’s territory had been ceded to private mining interests (Le Potentiel 2009b). The land registry office is less generous: it estimates the proportion at approximately 53% (ibid.). From 2005 until recently, Canadian attorney Paul Fortin held the position of Gécamines General Manager (La Prospérité 2009).

The Canadian International Development Agency (CIDA) (2005) contributed approximately Can$10 million to the 2006 electoral process support programme. Most observers pointed out major irregularities, but Canada preferred to present these elections as a complete success. In general terms, some experts critical of Canadian aid express their disapproval of this kind of cronyism:

> the Canadian International Development Agency (CIDA)’s support for the development of Canadian private investments in the African mining sector [...] can be summarized as follows: it prepares the ground. [...] The companies] thus have easy access to the country’s geological data, saving time and money, and within governments find individuals trained in Canada, or by Canadians, who favour Canadian companies and Canadian know-how. (Kazi Aoul 2000, p. 9)

Canada congratulates CIDA for the ‘effectiveness of its services and programs regarding its facilitating role in opening business opportunities in the mining industry’ (Natural Resources and Industry Canada 1999, p. 7, cited in Keita 2007). The conditionalities associated with the injection of new money in the form of multilateral or bilateral aid within the indebted mining countries such as the DRC are thus helping large-scale industrial capital to open markets, while serving their own needs. Therefore, it contributes to the nexus of profoundly unfair conditions of ‘free’ economic competition. On the global financial spectrum, Canada is promoting its ‘comparative advantage’ as a legal haven for the extractive industry. Canadian administrative and diplomatic delegations have shown in the past that they have no intention of approaching the companies for explanations of the serious allegations in circulation.

**Canada as a legal haven for the extractive industry**

As rightly noted by Jean-Claude Willame, in the DRC,

> the big transnational corporations were eclipsed, giving way to second rank ‘investors’ sometimes more motivated by speculation than production, or even to more or less mafia groups carrying out ‘coup’s and short-term benefits in the context of an increasingly delinquent state. (Willame 2010, p. 136)

Canada’s stocks encourage speculation, and junior exploration companies are calling out for them. Internal Canadian jurisdiction is designed to serve as a legal haven for global mining industries, and this is why we find more than 70% of the world’s exploration and exploitation-mining corporations registered on the TSX, even if their capital is from abroad. Canada’s permissiveness in the extractive field has its origins in the colonial history of the country. Its connivance with tax havens has also historical reasons. Canadian banks have predominated in the Caribbean since the early twentieth
century, and in 1970, the Canadian presence in the Caribbean was estimated at 60 to 90% of bank ownership. Profits are kept in those offshore jurisdictions, and Barbados is now the preferred tax haven of prosperous Canadians. Canada itself, like other former colonies whose economic growth was made possible through the exploitation of a dominant primary industry, has developed a certain savoir-faire around its mining sector since the nineteenth century. The mining legislation in Quebec and Ontario is the result of an historical power struggle between settlers and First Nations peoples, resulting in today’s highly sophisticated and institutionalised system of rights to access mineral resources, which mean that companies can acquire mining rights that take precedence over nearly all other land uses. Environmental neglect, disregard for indigenous rights, and a meagre contribution from this sector to national treasuries are examples of bad habits acquired by the mining industry over time (Deneault and Sacher 2011).

In many circumstances Canadian diplomacy has shown that it intends at all costs to protect its industry, while arguing that it is the Canadian middle-class assets it is defending. The Canadian government has clearly sent the message that it does not intend to trouble the companies operating abroad regarding political or legal matters. One example of this attitude was in an interview with the First Secretary of the Canadian Embassy in Guatemala, broadcast by Radio Canada on 13 February 2005, regarding the actions of the company Glamis Gold over its lack of consultation with indigenous communities affected by the gold mine and the role of the Embassy. The First Secretary stated:

It’s not just the company that we are trying to defend ... It’s not just a Canadian company. We are talking about thousands of Canadians who have invested on the Toronto Stock Exchange, [which] has provided the funding, the capital, enabling ... Glamis Gold to carry out operations here in Guatemala. ... We also have a duty to see [that] they do not lose their investments. 12

This statement is symbolic of Canada’s general diplomatic position. Indeed, Canada does not investigate companies as long as the allegations have not been substantiated (Drohan 2003), but as the responsibility to substantiate them should fall to the country that hosts the headquarters of the multinational – i.e. Canada – they never are substantiated.

Canada offers the industry a series of distinct advantages, and its TSX strongly favours speculation, and significant tax advantages – up to 150% tax relief for shareholders, in some cases in the province of Quebec – are granted to financial investments in the field of mining. According to the Canadian Ministry of Northern Development, Mines and Forests, 80% of the planet’s financial investments in mining originated in Toronto, with annual trade worth Can$380 billion. Toronto is the world financial centre of risk capital, which characterises the mining industry. A huge amount of Canadians’ assets (retirement funds, insurance and public funds) are invested specifically in mining company shares because the government uses fiscal instruments to promote investment in this particular industry (Deneault and Sacher 2011).

The very serious allegations concerning the role of Canadian mining companies in the Great Lakes region are reported in numerous credible and public documents published around the world. This information has been collected and analysed in Noir Canada (Deneault et al. 2008). The only positive recommendation the authors make in relation to these allegations is that Canada should set up a public inquiry on the presence of its companies in the DRC:

We do not claim to base these allegations which we summarise on anything other than the works that made them in the first place. ... It would be inappropriate
to require a group of authors without funds to go beyond what has already been set out on all these issues by those who took the time and trouble to [highlight these allegations] in their respective efforts. It is in this sense that we make our only request to the public authorities: ... that is, to establish a commission, the independence of whose members would be entirely above suspicion, to undertake an assessment of the effects of political, industrial and financial investment in Africa ... (Deneault et al. 2008, p. 14).

Instead, the three authors of Noir Canada – Alain Deneault, William Sacher and the author of this article – and their publisher, Écosociété, are facing two lawsuits on charges of defamation, filed by Barrick Gold and Banro Corporation for a total amount of Can$11 million. 14

When the United Nations pressed the Canadian Ambassador to take action against the companies involved in the Great Lakes conflict, Canada answered that the Organisation for Economic Co-operation and Development (OECD) guidelines were only voluntary, not compulsory (Engler 2009). To the recommendations proposed by the Roundtable process set up in 2008 on the stake of the mining enterprises’ social responsibility, Canada answered in its Corporate Social Responsibility Strategy for the Canadian International Extractive Sector (DFAIT 2009) that it intends actively to promote this soft-law principle of voluntary responsibility in regional development banks. Moreover, it intends to integrate it in its free-trade agreements, such as those signed with Peru or Columbia, two mining states within which Canadian mining activities are far from reaching widespread approval by the population.

In its interim report of 2006, the United Nations Secretary-General’s Special Representative on Business & Human Rights, John Ruggie, states that

the extractive sector – oil, gas and mining – utterly dominates this sample of reported abuses with two thirds of the total. ... The extractive industries also account for most allegations of the worst abuses, up to and including complicity in crimes against humanity. These are typically acts committed by public and private security forces protecting company assets and property; large-scale corruption; violations of labour rights; and a broad array of abuses in relation to local communities, especially indigenous people. (Economic and Social Council, Commission on Human Rights 2006, section 25)

If we exclude the relative gains permitted under the Alien Tort Claims Act, a 1789 American law which extends the universal competence to civil libel, the actual state of international law – still less Canadian law – does not offer satisfactory responses to the gravity of those cases involving mining companies.

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Notes on contributor
Delphine Abadie holds an MA in International Studies on the impact of structural adjustment on the increasing economic inequality in Senegal. She is currently completing a doctorate in political philosophy in which she makes a critical diagnosis of the role attributed to the transnational corporations in the prevailing theoretical models of cosmopolitanism and global governance.

Notes
1. Son ‘contrôle n’a jamais cessé d’irriter les grandes transnationales minières’.
2. We understand to be Canadian three kinds of interests: (1) the companies that have their head office in Canada, hence
responding to Canadian law; (2) the corporations registered at the TSX or in another Canadian city; and (3) the Canadian investors active in structures registered elsewhere in the world, particularly in a tax haven.

3. ‘en réalité, toutes les diplomaties attendent la fin du régime de Mobutu en escomptant que les dégâts seront limités’.

4. ‘dans bien des cas, ces dirigeants se font également rétribuer par des hommes d’affaires, des notables politiques, locaux ou étrangers, afin d’assurer la protection de mines, de concession, de périmètres industriels de plantations agro-commerciales. Leur désir de paix est donc en relation inversement proportionnelle à leur volonté d’enrichissement personnel et leur esprit de lucre’.

5. United Nations Panel of Experts on Illegal Exploitation of Natural Resources and Other Forms of Wealth in Democratic Republic of Congo; Congolese Lutundula Commission; All Party Parliamentary Group on the Great Lakes Region (UK); Spanish Trial against APR/FPR; United States House Representative’s Cynthia McKinney’s Hearings on DRC before the Subcommittee on International Operations and Human Rights of the Committee on International Relations House of Representatives, etc.

6. Among others, articles by known and respected journalists such as Colette Braeckman, Dominic Johnson and Wayne Madsen; documents by international NGOs such as Human Rights Watch, Amnesty International and Global Witness. Among Congolese representatives, the United Nations Development Programme worker Mbaya J. Kankwenda, as well as the former Zaire ambassador to Israel, Honoré Ngbanda Nzambo, link the Canadian corporations to the economic predation occurring in the war era.


8. ‘L’AMFI, Banro, Barrick, Mindev et, dans le domaine pétrolier, Heritage Oil ravivent par leur présence les conflits quand elles ne les alimentent pas.’


10. ‘l’efficacité des services et des programmes [de l’agence] pour ce qui est d’ouvrir des possibilités de faire affaire à l’étranger dans le domaine minier’.

11. ‘Les grandes multinationales se sont éclipsées pour faire place à des “investisseurs” de second rang, parfois plus motivés par la spéculation que la production, voire à des groupes mafieux réalisant des “coups” et des bénéfices de très court terme dans le contexte d’un État de plus en plus déliquescents’.

12. ‘Ce n’est pas seulement l’entreprise qu’on est en train de défendre, […] on ne parle pas seulement d’une compagnie canadienne, on parle de milliers de Canadiens qui ont investi à la bourse de Toronto [ce] qui a donné finalement le financement, le capital, avec lequel peut opérer […] Glamis Gold ici au Guatemala. […] On a un devoir aussi de voir [à ce] qu’ils ne perdent pas leurs investissements’.

13. ‘Ces allégations dont nous faisons la synthèse, nous ne prétendons pas les fonder au-delà des travaux qui les ont avancées. […] Il ne serait pas convenable d’exiger d’un collectif d’auteurs sans financement d’aller sur tous ces sujets au-delà de ceux qui les ont déjà péniblement mis au jour dans leurs efforts respectifs. C’est d’ailleurs en ce sens que se formule notre seule requête auprès des autorités publiques, […] soit d’instaurer une commission dont l’indépendance des membres serait au-dessus de tout soupçon pour faire le point sur les effets des investissements politiques, industriels et financiers en Afrique […]’.

14. These lawsuits are a serious threat to the freedom of expression necessary to public debate. The threat of another legal action from Barrick Gold has forced Vancouver-based Talonbooks to postpone publication of Deneault and Sacher’s
Imperial Canada Inc. (2011) about the Canadian mining industry. We consider these methods to be Strategic Lawsuits Against Public Participation (SLAPP). They take the form of a civil libel suit, launched against an individual or organisation taking a stand in the context of a public issue: the eventual success of such a suit is derived not so much from winning a case in court, but from the process itself, which aims to intimidate the defendants and place such a heavy financial burden on them that they are forced into silence. Resorting to SLAPPs is anything but rare in Canada, since reputation clearly prevails over freedom of speech according to many jurists. For example, in 2009 some academics from the United States objected to holding a Scientific Conference in Canada, fearing they could be sued by lobbies and even by the government if they expressed a point of view contrary to theirs (Ballivy 2008; http://slapp.ecosociete.org).

References


BRIEFING

Somaliland: progress, state and outsiders

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Introduction

Analysis of the African state has often placed a great deal of reliance on ready-made categories; state failure has been seen as endemic, with the polarity being an over-optimistic belief that sustainable new forms of democracy are emerging. While there may be agreement on the largely negative role the state has played in development, often this masks the belief that outside intervention is the key to overcoming such fragility, i.e. how to police the ‘badlands’, and who is best equipped to do it using a combination of soft and hard power.

Many African states struggle to reconcile traditional social institutions with the precepts of nation-state democracy within previously colonial borders. Because the colonial state was primarily concerned with maintaining the domination of colonial authority, post-colonial states have inherited associated doctrines of impersonal sovereignty, but without the concomitant limitations on state power that have accompanied the evolving metropolitan state structures of the ex-colonial powers themselves. Instead, African states have been bequeathed ‘non-rational’ borders which bear little relation to pre-colonial power or to kinship structures based on a moral universe acknowledging blood ties. Such states have attempted to compensate for underdevelopment, reliance on primary commodities and lack of nationhood or legitimacy by over-centralising political power. Many leaders have used political power to gain economic advantage and deny any spoils to their opponents. Consequently, commitment to basic human rights and tolerance of diversity tend to be severely compromised, and consequently foster polarised resistance and violent conflict. In many instances, these processes have become institutionalised over some five decades of post-colonial political evolution, with a ‘winner-takes-all’ approach entrenching elite-based power struggles that have come to typify the approaches of ruling parties and rebels alike.

This can be analysed as the result of colonial exploitation and inevitable corruption of kinship relations which predated the colonial era and were understood by foreign powers only insofar as they could be used to maintain their external hegemony. But neither the pre-colonial nor the colonial authorities felt the need to justify their existence in terms of meeting the needs of the majority of the population. The corruption of those institutions became particularly important when the initial mobilisation for the nationalist project faltered. Post-colonial political legitimacy then had to be purchased from key constituencies, kinship networks had to be assuaged and the acquiescence of other groups assured by force.

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resources of the state became a means to maintain a hold on power through patrimonialism and clientelism. Given the inevitable lack of internal legitimacy, external sources of patronage such as aid and cheap loans became vital. The Cold War saw the opposing powers sustain a large number of dictatorial polities as pawns in a larger game. At times in this era, Somalia saw some of the highest levels of per capita foreign aid from both Soviet and US sources in the world, and it was no coincidence that they, among numerous similarly authoritarian regimes, collapsed when that support dried up.

It is often assumed that this post-colonial history of the state, coupled with subsequent twin processes of structural adjustment and globalisation, fundamentally disabled the African state through the removal of significant instruments of economic sovereignty. In fact, though, the picture is far more complex than this. Both states and peoples have in some instances proven an ability to adapt to these forces in a variety of survivalist ways, rather than simply succumbing to them. The problem persists, and even such adaptive patterns are unlikely to be developmental in the sense that they could devise or support intentional programmes aimed at bringing significant benefit to most of a given population. As the state is unable to provide any meaningful economic relationship with its citizens, so its legitimacy is challenged amid a growth of intrastate conflicts involving racial, religious and ethnic dimensions stemming from fragmenting individual and group identity.

Although African civil society has been important in the unsteady and highly reversible movement towards democratisation, it is a complex phenomenon incorporating both democratic and anti-democratic forces and seems shallower and shorter-lived than hoped for. The same elites have remained in power under the same or slightly wider political and socio-economic arrangements, a situation evidenced in, among other locations, Kenya and Zimbabwe, with possibly Côte d’Ivoire to follow.

The Somali territories, ‘polarities’ and external actors

It is against this background that we examine the view that the unrecognised country of Somaliland bucks these trends with a uniquely home-grown African solution to the problems of the state. Can there be chances for development, the entrenchment of human rights and possible state transformation? During his November 2010 visit to the UK, the newly elected President of Somaliland, Ahmed Mohamed Mohamoud – universally called Silaanyo – leader of one of the former opposition parties, Kulmiye, was questioned by many inside and outside the diaspora about his vision for the development of his country, his plans for further democratisation and for gaining recognition as an independent sovereign state (the latter given some impetus by the South Sudan referendum). His decisive election victory in June 2010 was declared free and fair by international and domestic observers, and the subsequent peaceful handover of power set an important benchmark in how a discursive democratic custom is being gradually melded with the representative institutions of the nation-state. Hopes were high not just that the new government would effect a change from the securocratic and non-transparent practices of former President Rayaale, but also for a change in the nature of the state towards a more interventionist and pro-poor model.

Many see the Somali areas in the Horn of Africa as archetypes of state collapse, insurgent activity and conflict between ‘traditional’, external and Islamist elements. A slightly deeper analysis notes regional differences and particularly the successes of Puntland and Somaliland in securing greater stability than is present in the south. At its most optimistic, this alternate
perspective sees Somaliland as an example of successful, indigenous state-building against the chronic failure of externally sponsored initiatives in the south. Indeed such proponents have suggested that lessons from Somaliland could not only be applied in Somalia and the Horn of Africa, but further afield. Much of this is based on easily packaged polarities. In terms of Somali conflict and state-building, the fundamentalist Islamist militia of al-Shabaab is contrasted with the more mercenary forces of warlords and those of the internationally supported Transitional Federal Government (TFG). State consolidation in Somaliland, and to a lesser extent Puntland, is contrasted with failure in the south. So what are the potentials for legitimate Somali state formation and how much do outside interventions help or hinder these processes?

Socio-political norms that emphasised the importance of negotiation and compromise have averted a number of crises in recent years. Meanwhile, cautious and fully engaged external interventions have, in marked contrast to efforts in southern Somali areas, been successful in supporting this process, building on local initiatives, resources and traditions and breaking through roadblocks where local negotiations have stalled. Somali custom explicitly creates space in which outsiders may assume constructive roles, with such activities periodically playing a decisive part in resolving significant difficulties (see Walls and Kibble 2010 for more comment on this). Indeed, it is notable that, successful as they have been, the indigenous patterns that provided the basis for both Puntland’s and Somaliland’s achievements remain incomplete and, despite mythologies to the contrary, continue to rely on external inputs from both non-Somali and diasporic agents. Conversely, it is hard to argue that external interventions in the south have served as anything other than a cumulatively malign influence over the long-term. While external interventions have been spectacularly unsuccessful in some instances, a measured reading of processes to date nevertheless undermines the oft-stated conclusion that ‘Somalis will succeed if only they are left to themselves.’ There is in fact real and substantial evidence that external engagement plays an extensive, varied and sometimes pivotally important role in the Somali context.

In Somaliland’s case, the recent presidential elections have increased the likelihood that external powers will grant greater legitimacy to the state as donors and powerful international actors seek to reward the country for a significant consolidation of past democratic gains. There is potential for that role to be positive, provided the Somaliland state proves itself capable of negotiating robustly and in the interests of a broad domestic polity.

Background to Somaliland
The Republic of Somaliland unilaterally declared independence from Somalia in 1991, after a civil war caused the collapse of the dictatorial Siyaad Barre regime. In doing so, they were announcing the restoration of the independence they enjoyed for several days in 1960, and which was itself based on colonial borders. This represented an end to the territory’s allegiance to a greater Somalia. In the late 1990s, Somaliland’s political leadership declared a commitment to representative democracy, with local elections in 2002, a presidential election in 2003, and parliamentary elections in 2005 all contributing to that process. This process of representative democratisation has, unsurprisingly, faced numerous problems and obstacles, not least of which was the crisis precipitated by the previous government in attempting to cling to power after 2008 without a legitimate political mandate. The government failed to prepare for elections in a timely fashion, and engaged in blatant politicking aimed at extending the president’s term through questionably constitutional avenues. The
opposition on several occasions added to the crisis by playing their own political games, and seeming to push the country towards a stand-off that held many of the attributes of the factionalised politics described above. Eventually, though, a return to the discursive traditions of the post-1991 period, assisted by opportune external engagement, enabled a notably successful election.

As constitutionally stipulated, three parties contested the vote: the incumbent presidential and vice-presidential team standing for the United Democratic Peoples’ Party (UDUB, the governing party); ex-Somali National Movement (SNM)\(^1\) Chair, Ahmed Mohamed ‘Silaa-nyo’, standing with a new vice-presidential candidate for the opposition party Kulmiye; and Faisal Ali Waraabe leading a ticket put forward by the third party, the Party for Justice and Welfare (UCID).

In spite of a number of relatively minor incidents – the most major of which was a conflict that led to the death of an election official near the village of Kala Baydh in Sool region – the election was a notable success. Turnout around the country varied, and the unreliability of the new voter registration system makes it difficult to give a figure, but polling stations in many locations were busy and were largely peaceful.

The Kulmiye team secured a convincing victory with a margin of 88,000 votes over the incumbent team, fractionally failing to secure a full 50% of the votes cast. The UCID candidates were disappointed with their 18% share of the vote, but all parties accepted the result. The transition from President Rayaale to President Silaanyo took place within the time frame specified in the Constitution, and in remarkably positive mood.

Much of the process that enabled this success, including retreat from serial political crises, has been enabled by an overwhelming public desire to avoid a return to conflict and an accompanying urge to win international recognition (although yoking the two has also proved problematic). The nascent state remains weak and poorly funded, but paradoxically has enjoyed a degree of popular legitimacy exceeding that of many African and other governments. However, until the recent elections, the institutionalisation of a system that combines elements of traditional ‘pastoral’ male democracy in the context of the Westphalian and Weberian nation-state seemed to be starting to unravel. In its place, a personalised ‘securocratic’ approach was gaining the upper hand, with a concomitant fear of debate and criticism. This intolerance of dissent is at odds with Somali tradition more generally, and can be seen as a legacy of the Siyaad Barre regime. However, it remains to be seen how deeply embedded it is as we move into the era of a new government and implementation of new approaches to overcoming the previous stasis in the arenas of justice, further democratisation and development.

**Early performance and policy possibilities**

There are a number of questions that will determine fundamentally the ways in which traditional institutions interact with the (Western) norms of nation-state democracy. Clan will continue to play a significant yet dynamic role in the political realm, while external actors, from private, public and non-governmental sectors, must also expand their involvement.

On the first day of the new regime, the government delivered on a pledge to abolish the unpopular security committees. Originally established to address urgent issues of security in the wake of the civil war, these committees had been permitted to imprison without trial, and they lay outside any due judicial process. A new National Security Board was established, to provide security, defend borders and fight against terrorism.
There has as yet been no effect on other parts of the judicial system. The judiciary remains ineffective and subject to executive pressure arising from its lack of independence. It is also alleged to be corrupt and non-professional with untrained clerks acting as judges. A seasoned observer described the system as ‘a hell of a mess which will take a lot of cleaning up. It’s still based largely on judicial practice under Siyaad Barre – i.e. who has the most money wins.’

The position of women has been another key element in the fight to further and deepen democratisation, and Kulmiye has, as well as its clan base, majority support among women, youth, civil society and diaspora. Activists cautiously welcomed the increase in female cabinet ministers from 5% to 20% but pointed out this still only means two ministers and an assistant minister (although the cabinet has shrunk in size). There is also a woman commissioner on the Human Rights Commission. The new (female) minister for labour and social affairs is, unlike her predecessor, open to dialogue with civil society. Women’s groups welcomed these developments, with the umbrella network, Nagaad, promptly submitting an advisory paper on gender issues to the government. However, women’s groups are looking for much more tangible progress and this still appears largely distant. There is, for example, little movement on key issues such as proposed 30% quotas for women in parliament.

There has been an improved relationship with civil society. A new Non-Governmental Organisation (NGO) Act defining roles and responsibilities for NGOs as well as giving them legal protection was himself a founding member of the NGO Somali Relief Association (SOMRA) in the UK in the early 1990s, and has spent the past few years working with the private sector hawala (money transfer company), Dahabshiil. Early in his new ministerial role, he held his first coordination meeting with the United Nations and international NGOs, and presented new guidelines for aid coordination. In addition, there is the promise of forums for domestic civil society to engage with government and to monitor performance, including input into the budgetary process.

However, there has also been disquiet over the new NGO law, with aid workers and donors expressing concern that it could undermine international humanitarian work. While the objectives of establishing a legal framework for NGOs, ensuring that their activities are in line with the government’s own development priorities and improving accountability and transparency, are sound, much of the wording of the law is ambiguous. Foreign agencies working in Somaliland are particularly worried about Article 35(3), which states: ‘International NGOs shall not become implementers for other international NGOs and UN organisations working in the country.’

While the aim of encouraging international NGOs and UN agencies to work with local partners on projects designed to build domestic capacity is laudable, there are fears that a blanket application of the principle, rather than a case-by-case approach, could drastically restrict overall donor funding. In addition, some programmes require specific technical expertise that is not easily available in-country, meaning that the partnership model is not always realistic.

Before the elections, the (then shadow) foreign minister spoke of taking a far more nuanced approach to Somaliland’s neighbours, including pursuing reconciliation with Somalia and Puntland, as well as with other Somali groups and neighbours.
in the Horn in general. This necessarily requires that Somaliland address specific sensitivities on the question of recognition, on which neighbours remain the key.

In a recent talk in London, one of the authors of this briefing floated the concept of ‘incremental recognition’, in which we suggest that Somaliland leaders engage in confidence-building measures, such as pursuing the possibility of greater engagement with regional bodies such as the Intergovernmental Authority on Development (IGAD) forum. The premise is that this would allow Somaliland itself to assume a more active and self-directing role in the pursuit of recognition, setting modest incremental objectives that are nevertheless achievable and should one day lead to a situation in which full recognition represents mere acceptance of an ipso facto condition. Such an approach would contrast with past tendencies to emphasise recognition as a one-stop solution requiring a single, substantial policy shift on the part of other nations. The new policy seemed to reap rewards with the unexpectedly positive presidential visit to Djibouti, in which President Silaanyo was awarded red-carpet status as if he were a recognised head of state. The long-closed Somaliland Liaison Office in Djibouti was also reopened, marking a shift from the rocky relations between Djibouti and the Rayaale regime. It may be that this change is linked to the new fibre-optic cable coming into Somaliland via Djibouti. A number of government advisers themselves have links with Djibouti, and there were accusations within Somaliland that the agreement had favoured Djibouti against Somaliland interests.

Having initially viewed the new Somaliland government with suspicion, Ethiopia also hosted a Somaliland delegation led by Mohamed Abdillahi Omar, the new Minister of Foreign Affairs. In so doing they indicated a willingness to work with the new administration. Hargeisa has also seen a visit from the new UN Envoy to Somalia, apparently at the invitation of the Norwegian Refugee Council. Significantly, the Executive Secretary of IGAD, Mahboub Maalim, also visited Sheikh Veterinary School and met the president, noting that his visit marked a new era in the relationship between IGAD and Somaliland.

However, relations with Puntland have continued to be tense, with the contested sovereignty of areas of Sanaag and Sool complicated by recent accusations from Puntland that Somaliland was harbouring and indeed promoting the ‘terrorist’ Mohamed Said, known as ‘Atom’. Puntland forces had clashed with Atom in the mountainous area of Galgala, and accused Somaliland variously of sending militia to fight alongside him and of sheltering him when he fled. The Somaliland account inevitably differed from this, with senior politicians declaring Atom a terrorist and insisting that the two territories were cooperating over terrorism. These claims were repeated to us when we spoke to the Somaliland president and the foreign minister in London in November 2010. They suggested that the dispute was essentially between the Puntland administration and local clan groups. Since that date, the situation in the border areas with Ethiopia near the town of Buhodle has also deteriorated, with renewed fighting between Somaliland forces and those of a breakaway militia titling themselves SSC (referring to the areas of Sool, Sanaag and Cayn, portions of which are claimed by clans opposed to Somaliland) early in 2011, resulting in significant fatalities. The same group was responsible for the election-day clash near Kala Baydh.

A further significant problem lies in the seeming continuation of a position of the Rayaale government in the form of suspicion of and attacks on press freedom. This started with the suspension of the right of the popular Somali cable broadcaster Universal TV to work in Somaliland in retaliation for having ‘treated Somaliland unfairly’. That suspension was
subsequently lifted, but was renewed when the broadcaster was caught displaying bodies from southern Somali areas and claiming that they were fatalities of the SSC clashes. The chief editor of the partis- san Yool daily newspaper was also threaten- ed by ministers and security personnel for unfavourable coverage. A further instance saw Mohamud Abdi Jama, the editor of the daily newspaper Waaheen, sentenced to three years’ imprisonment for publishing articles which accused the government of nepotism and an official of having appointed his own clan members to posts.

After spending over a month in prison and as a result of global pressure on the govern- ment, Mohamud was granted a presiden- tial pardon and released. He was then awarded the Free Press Africa Award for 2011 at the CNN Multichoice African Jour- nalist of the Year ceremony. However, this did not end condemnation from the National Union of Somali Journalists (NUSOJ) over continuing intimidation of journalists in Somaliland. On 10 May, a reporter from the Hargeisa-based Haatuf daily newspaper Ahmed Adan Hirsi (known as Ahmed Dheere) was arrested in Berbera, apparently as a result of a complaint against him from the Berbera district commissioner.

Other journalists from the Saxafi, Hargeisa Star, Ogaal and Yool newspapers are also facing charges of criminal defama- tion – all of which has attracted local and international criticism.

In spite of the fact that the new govern- ment media spokesperson is himself an ex- journalist, hopes have now begun to fade that the new administration will fully reverse the tendency of the prior regime to lock up perceived opponents, including journalists, on spurious grounds and for lengthy periods. There remains a significant need for work to fully institutionalise freedom of the media. Specifically, defama- tion should be reclassified as a civil rather than a criminal offence, while it should be much harder for local governors to initiate the arrest of journalists. Even though the new government is so far less guilty of unreasonable media suppression than its predeces- sors, some of the actions they have taken still amount to undue harassment.

Further than that, it must be said that hopes for a more intuitive state understanding of the importance of an independent judiciary, press and civil society in comparison to the more securocratic mindset of the last regime have not so far been fully vindicated.

This relates to the wider worries that commentators and people on the street see little evidence of a unifying vision. In the seven months since taking power, the concentra- tion appears to be on reshuffling the institutions and getting rid of supposedly corrupt civil servants, while creating new agencies such as the Anti-Corruption Com- mission. Essentially some people make the charge that Kulmiye did not have a plan for governing. This line of argument holds that they concentrated too hard on winning the election on an anti-government platform and, despite the high expectations of the population, they are now weighed down by the day-to-day job of governing. One commentator opined that the president seems to be overwhelmed and that he lacks the stamina for the job, relying instead on others to do the work for him.

It is still too early to tell whether such criticism is well founded. Complaints about a lack of vision and unnecessary levels of negativity seem to hold some val- idity. Too many civil servants were fired for what appeared no fault of their own, other than (inevitable) ties to the prior administration. In the process, competent as well as less-able individuals were lost. Equally, there have been concerning indications that the government has lacked a consistent agenda, with ministers too willing to embark on action at odds with the positions of other members of the executive. It is possible that the anti- media moves described were a manifesta- tion of this tendency.
There is nevertheless donor goodwill. In September 2010, the US Assistant Secretary of State for African Affairs announced a new policy on Somaliland that would see ‘aggressive’ engagement with the administrations there and in Puntland (Carson 2010). Given that such engagement is likely to be highly focused on an anti-terrorist/anti-political–Islamist agenda, these words are not necessarily reassuring for Somalis with echoes of the previous use of surrogates to ‘police the badlands’. Can Somaliland try to use this to its own advantage? As it attempts to reach out more actively and to establish a more nuanced approach to international and regional players, increasing international acceptance of Somaliland as an autonomous political entity could assist significantly. The US shift is part of a ‘dual-track’ strategy which will see the United States continue to support the Mogadishu-based Transitional Federal Government (TFG), but which will also result in an increase in direct aid to Somaliland, so the possibility for this and similar adjustments in attitude to result in tangible benefit for Somaliland is real.

Donors have promised to channel an increased proportion of aid directly to Somaliland amid talk of direct budget support for the government. If implemented, which has not yet happened, this would mark a significant shift in donor engagement with Somaliland, contributing materially to the process of incremental recognition mentioned above.

Somaliland has a significant opportunity, given the impending expiry of the mandate of the TFG in the south. The TFG has long represented an explicit obstacle if Somaliland is to extend the depth and breadth of its formal engagement with the international community. Negotiation with donors over their future therefore presents a very real opening for Somaliland, along with those among the international diplomatic community who would like to see a change in the nature of that engagement, to leverage a further and more substantial enhancement in international acceptance of Somaliland.

Conclusion
The election of a fresh administration in Somaliland promised much, and in the first part of its term, the new administration has delivered on some of that promise. Early moves to disband security committees and to improve relations with civil society were welcome, and some successes have been achieved in foreign policy. Set against these advances have been continued harassment of media representatives. Similarly, a policy of unnecessary replacement of civil servants provided fuel to those complaining that the administration was too narrowly focused on clan and political appointment.

There is also some merit to the criticism that the government has failed to display a genuinely coherent leadership for the country. Again, this is an area in which the previous administration was signally poor, so set a low benchmark. It is small comfort therefore that the new government has at least improved on that record. In future, it will need to be far more clear-sighted and long term in its vision if it is to maximise its potential in garnering outside support and in sustaining the momentum for democracy and development.

In terms of understanding the potential and nature of the Somaliland state as a catalyst for transformation, we need to note that in general there has been little perception of the state as a developmental entity. The recent promise, however, of free primary and intermediate education and doubling of teachers’ salaries along with those of other public servants, marks a move in that direction, although questions remain over the availability of resources. The focus hitherto has largely been on internal survival in the context of perceived external threat. Such a focus provided the previous regime with a seeming legitimacy to concentrate on stability and use the great desire of the
population for post-civil-war peace to entrench itself in power and use that for economic gain – similarly to much of the above analysis of the predatory state. Clan has been the basis of social networks and safety nets, and largely the state has not attempted to capture that role in contrast to the ‘flight from the state’ elsewhere, meaning greater space for social and economic interventions from citizens. Ideas emanating from time to time in the diaspora on the more developmental and interventionist role of the state (but without the resources) may lead to contrasting views within the new government. There is, despite the lack of recognition, a greater than usual internal and external acceptance of the legitimacy of the state and an identification of the great mass of citizens with it (with the exception of the areas bordering Puntland).

To that extent, in contrast with large areas of Africa, there does appear to be greater congruence between identity, legitimacy and territory. Rather than the clichéd ‘hybrid’ state combining ‘traditional’ and modernising forces, Somaliland has been shaped by a combination of and conflicts between ‘nightwatchmen’ and securocrats, and democratising and traditional or patriarchal forms. The balance of different social forces that underlie them is also shifting. The support base of Kulmiye appears progressive and developmental, but the moves against the media show that it is entirely possible that state organs can too easily reflect the structural inheritance of the previous regime.

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Notes
1. The Somali National Movement was a northern insurgent group established to resist the Siyaad Barre regime, which assumed control of Somaliland when that government collapsed.
2. The newspaper Waheen belongs to Ahmed Hussein Essa, a long-time politician with good insider knowledge, but with a combative past inside Kulmiye.

References


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