

# **Gender and Social Implications of Large-Scale Sugar Cultivation in Malawi: Out-Grower Model**

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# Overview of the Presentation

- Setting the context
- Large-scale Smallholder Sugar Cultivation in Malawi
- Spaces for women benefit from cash crop cultivation
- Gender and social implications of cash crop investment
- Concluding reflections

# Setting the context

- Some opening reflections:
  - *“Sub-Saharan Africa has the most land available and suitable for agriculture, the highest productivity gap among regions and the highest poverty rate”*.

## However?

- *“Landownership inequalities and landlessness are growing, and ..., they are high enough to undermine shared growth and social cohesion, ” (World Bank, 2013)*

- Large-scale agricultural investment is considered as the panacea for achieving national economic growth, poverty reduction and food security
- What are the emerging gender and social implications from one approach (Out-grower model) in Malawi?

# Large-Scale Smallholder Sugar Cultivation

- History of large-scale sugar cultivation in Malawi - Ronrho
- However, smallholder participation in sugarcane cultivation started in 1977, with establishment of Smallholder Sugar Authority (SSA)
- In 1999, GoM privatized SSA using farmer buy out option. Two structures were created to manage smallholder farmers sugar cultivation
  - Trust: Dwangwa Cane Growers Trust (DCLT) and Shire Valley Cane Growers Trust (SVC GT)
  - Private Contractor: Dwangwa Cane Growers Limited (DCGL) and Kasinthula Cane Growers Limited (KCGL)
- Trusts are understood as GoM arm for managing smallholder sugar cultivation as well as farmers own organization
- Companies: Contractors to provide technical services to farmers
- Smallholder cane growers account for 9% of national sugarcane production

# Out-Grower Model of Sugar Cultivation

- In this model, all sugar is sold to Illovo through established DCGL/KCGL
- The two institutions deduct technical, inputs and extension services costs offered to smallholder farmers

Farmers  DCGL/KCGL  ILLOVO

- Farmers are paid net returns of sales (minus management and association fees from gross sales)

# Women Benefits from Land Based Investment

## – Theoretical Perspective

1. Economic empowerment through a ready market:
  - The model presents a readily available local market to local people, especially women, who lack social capital and expertise
  - Way of accessing scarce capital investment loan
2. Training and development of entrepreneurship spirit
  - Farmers are trained on the growing of sugarcane
  - Farmers have the opportunity to develop an entrepreneurship spirit
3. Participation in governance of sugarcane cultivation
  - Sugarcane cultivation provides women with the opportunity to participate in decision making relating to management of sugar cultivation
4. Community development that promote women's welfare
  - Infrastructure development: roads, social services
  - Health and sanitation: health facilities and water sources (general community development promote women welfare)

# Realities of Women Benefits from the Out-Grower Model

- 1) **Livelihood versus income benefits:** Out-grower model is extending cane cultivation on customary land formerly used by smallholder farmers (Old land under cane cultivation at Dwangwa: 500 ha; Extension covers 2000 ha). Implication: Smallholder are not allowed to combine sugarcane growing with other crops. This shift affects women who are traditionally responsible for provisions of food at household level
- 2) **Land loss versus women initial capacity:** Different interpretations on land ownership. Trust feel they own the land by leasing and using it as collateral to get loans. Corporate companies allocate the land equally to those wanting and with capacity to grow sugarcane 3.0ha, 2.5ha and 2ha. Two implications:
  - Access to land by women with small parcels
  - Loss to those that depend more on land for their livelihood, especially women
  - Reproduction of resource access inequalities based on initial financial capacity
- 3) **Low women empowerment through participation in leadership**
  - All important positions are filled by men in the Trust (DCGT, SVC GT), Private Companies (DCGL, KCGL) and Boards their management Boards.

# Realities of Women Benefits Cont' d

## 4) Women Voluntary Withdrawal from active Sugarcane Cultivation

- Out-grower model provides an opportunity for women to access loans and engage in meaningful business enterprise
  - However, two things are forcing local women to voluntarily withdraw their active participation in the industry namely:
    - Frequent violence make women think sugarcane cultivation is for men who can withstand physical violence. This is worsened by limited government commitment to protect vulnerable groups who lose livelihood assets in the violence e.g. individuals not yet compensated for the loss of their assets
- “Sugar cultivation is war and men should be commanders, not women”. These structures are crucial to motivating women into the industry*
- Initial and operation costs versus offered prices: High deductions from farmers gross incomes from the sale of sugarcane frustrate farmers, especially women who have to rely on the growing of cane for their livelihoods.
- Thus, women currently contest that they cannot rely on the income flows from the growing of sugarcane for all their household livelihood needs.

# Realities of women benefits cont' d

## 5) Subsistence versus commercial land tenure arrangements

- The official discourse in the expansion of cane growing into customary land is to reduce poverty levels of the local people
- The understanding is that this excludes those that are not indigenous in the area though they are living in the area.
- E.g. At Dwangwa, DCGL allocation of 85 plots to people not indigenous in the area led to violent community protests
- 30% of these “illegal beneficiaries” comprised women of local business women and widows/wives of DCGL/government
- While accepted to farm under subsistence farming, they are not accepted to farm under cash crop farming arrangement
- Thus, agricultural investment demands clarifying land access tenure arrangements guiding both subsistence and commercial farming especially for women (inside and outside community).

# Concluding Remarks

- Out-Grower Model of Sugarcane cultivation has the potential to benefit women through access to investment capital, technical expertise and market
- However, there is need to clearly define the spaces that can allow women to meaningfully benefit from cane cultivation
- The following questions demands scrutiny:
  - Livelihood versus income benefits (subsistence versus commercial). How will cash crop cultivation balance the urgent needs of a woman i.e. food for the household
  - Land redistribution versus initial capacity - how will customary land surrender and its redistribution based on individual capacity escape reproduction and reposition of existing inequalities
  - Gendered aspects of cash crop cultivation - how are violent conflicts over land ownership between local famers and investors reducing women (risk averse) to mere spectators of the rising investment opportunity
  - Capital investment/operational costs versus price offered – how are the prices offered balancing cost of producing as well as meeting livelihoods needs
  - Subsistence versus commercial – what land tenure arrangements should guide land access under subsistence and commercial farming for outsiders, especially women
- The overall message of this presentation is that women are unlikely to benefit from land-based investment unless such investments are combined with deliberate women socio-economic empowerment initiatives