

Land Rental Markets in Malawi

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Abstract

Land rental markets involve temporary transfers of use rights to land. The traditional authorities (TAs), in the two areas I have investigated in Malawi, have set a rule saying that no one is allowed to rent out land. Still, the two TAs said, if renting takes place, no one should rent out their land to the same person for more than two years. If a conflict occurs between the person renting in and the person renting out, concerning whom the right owner of the land is, the person renting in is likely to win the dispute. By renting out land, the owner gives out signals saying that he does not need the land.

As a result of this, there is high insecurity for those renting out land and it leads to limitations in the rental market.

Still, people continue to rent out land, but it is often held in secret. Who are renting in and renting out land?

How are people adapting to this two year limit of renting?

Will this have consequences for the investments people do on the land they rent?

How does land scarcity affect the rental market?

Key words: *Malawi, land rental*

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1. Introduction

My work on the rental markets in two villages in the Southern Malawi is part of the more extensive research project: “the Malawian Land Tenure and Social Capital (MLTSC) Research Project”.

I spent two months in the Southern region of Malawi, doing interviews with people in two local communities. Land is rapidly becoming scarcer. This will normally lead to changes in the use of land and changes in the structure of the land tenure system. From my professional point of view, the study of the tenure systems and tenure arrangements is that they are, in the long run at least, functions of factors like rural population density, options for different types of production systems in agriculture and options for other sources of livelihood. Laws, both statutory and customary, traditions and social and administrative power structures do not change overnight. Property rights are integrated parts of the institutional set up. The impact of increased demand for land might be creation of new institutional arrangements as well as rearrangements of old ones. One relatively “new” arrangement in the tenure system is renting of land.

Since Malawi is depending on agriculture to a great extent, it was clear from the beginning that lending and renting of land existed. Malawi is quite unique with high population growth in rural parts of the country. It must be emphasised that it is not necessarily population growth that leads to expanding rental markets. A typical development in Norway, and other industrialized countries, is that decreasing rural population, or at least decreasing numbers of farmers, has increased the activity in the rental market for agricultural land. Farmers move to the cities or give up farming for other jobs in the countryside or nearby towns. Instead of selling their farm, they keep the ownership and the residential or recreational functions of the farm, but rent out parts of it, normally the cultivated land, to active farmers in the neighbourhood. This is a well documented process, but it does not necessarily create a business like commercial renting market. Under Norwegian conditions we see a wide variety of rental arrangements, where social relations and trust between the owner and the renter play an important role, sometimes far more important than the actual payment of rent.

Rental markets involve more or less temporary transfers of use rights to land. Before I started the research, I was aware that there were restrictions to renting arrangements in Malawi, but I was unfamiliar with details. The matrilineal system in Southern Malawi makes arrangements of tenure special. As land is getting scarcer, temporary use of land rights has become a more common type of tenure. Renting of land is the main focus of my work. There are mainly three research questions that I have aimed to answer:

- Who are renting in and renting out land?
- The Traditional Authorities in the two research areas have said that no one is allowed to rent out their land for more than two years to the same person. If that happens, and a conflict occurs concerning who the right owner of the land is, the person renting in is likely to win right to the land. How are people adapting to this two year limit of renting?
- How does land scarcity affect the rental market?

My approach may to some extent be termed institutional. Demographical-, economical-, and technological factors will also be important in addition to the institutional framework. Correct language and terminology are important starting points for this article. Language has caused difficulties during my research and writing, mainly because the respondents spoke Chichewa and I depended on interpreting. Secondly, as English is my second language, terminology that I have learned during my studies in Norway, cannot always translate directly. Some concepts have a different meaning in Malawi than what we are familiar with in Europe, for example "ownership". Ownership, in the European sense, is limited by the regulation regime. In Malawi, local chiefs are to a greater extent involved in property rights and land is, according to customary law, allocated to the people in a community who needs it. For example, ownership, does not necessarily give the right to sell land.

I have found the percentages of the actors in the rental markets to be quite high, taken into consideration that there is a high level of a feeling of insecurity for those renting in and renting out land.

Land is scarcer in research village 1 than in research village 2. Still, the activity in the rental market is higher in research village 2 where 40% of the sampled households were renting in or renting out land, compared to 30% in research village 1. One reason for this is probably that there is less land to rent out in research village 1, but mainly, I believe that people in research village 2 are relying on farming to a greater extent. In research village 1, which is located close to the city, people are relying on other sources of incomes in addition to farming, for example buying vegetables at the local market and selling them to a better price at the city markets.

I have found a pattern that poor people rent out and better off villagers are renting in land. Those renting out normally do it because they are unable to cultivate the fields or because they are in need of money. Those renting in land have more resources and are capable of paying rent, and they are able to cultivate more land.

2. Background information

Land tenure in Malawi

Land is the basic source of livelihood and food security in Malawi. Most food is owner produced on family smallholdings and consumed by the household. Land is valued as a source of social security. Societies create rules that define the member's rights to hold or own land, and the rights and obligations that comes from the right to use or own land. This defines the land tenure system (Kishindo, 2006).

The Malawi Land Act of 1965 defines 3 categories of land:

- customary land
- private land
- public land

Customary land is defined as all land held, occupied or used under customary law. The President of the Republic is chief custodian and trustee of customary land. Private land is defined as all land held, owned or occupied under a freehold title, leasehold title, a certificate of claim or is registered under the Registered Land Act of

1967. Public Land is all land occupied, used or acquired by the government and any other not being private or customary land. Most smallholder agricultural production is carried out on customary land, which accounts for 67% of the total land area of Malawi (Kishindo, 1996).

Rules on access to customary land can vary in different parts of the country, but some general rules are seen all over Malawi. Land belongs to each community as a whole. Chiefs are trustees of the land and have the power to allocate land to their people. When land is allocated to a household, the powers of the Chiefs are to witness transfers of use rights. Land can normally not be sold.

In the Land Act of 1965, traditional authorities are formally recognised as having the right to control the use and allocation of land within their respective jurisdictions. The power to allocate unused land is passed on to the village leaders, but only at a small scale and for a limited period of time. As of today, land is scarce and only land that has been abandoned or forfeited are unallocated. When village leaders allocate land to their people, they are supposed to take into consideration the actual needs of the people, meaning a family with many members are supposed to be given the right to use more land than a smaller family. Still, it is known that a person's social status in the village is just as important for how much land he/she is given. Relatives of the traditional authorities and village leaders are normally allocated more land than others. Most landholders get their land through inheritance of user rights (Kishindo, 1996).

There is a major difference in matrilineal and patrilineal societies on who have the rights to land. In matrilineal societies, land rights belong to women and are inherited from mother to daughter, and in patrilineal societies, land is inherited from father to son. Patrilineal societies are found in the Northern region of Malawi, while matrilineal systems are dominant in the South and Central. Both my research villages are matrilineal.

Families are owners of land, but they do not own the land in the sense that we are used to in Europe. Land is communally owned and usually inalienable. Land is often described as being held in trust for the community as a whole. Berge (2006 p.8) gives a general definition of property rights: "Property rights provide legitimate allocation to particular owners, of material or immaterial objects supplying income or satisfaction to the owner. They comprise a detailed specification of rights and duties, liberties and immunities citizens have to observe. These are partly defined by law, partly by cultural conventions, and they are different for owners and non-owners. Property rights are ultimately guaranteed by the legitimate use of power."

There are three categories of tribal land in Malawi:

- Reserve land or unallocated land
- Private land
- Common village lands

Land today is scarce, so reserve land is as good as vanished in the Southern Malawi. Village commons have mostly been used for pasture and collecting firewood. The commons are as reserve land, in the process of disappearing in high population

density areas. People have fewer cattle and other animals. This will lead remaining commons, as road banks and areas around foot paths to be more important for grazing animals.

According to the Land Act of 1965(with revisions up to 1995), customary land is property of the people of Malawi. The minister has all power to administer and control customary land, and he can declare customary land to be public land if it is found necessary. Compensation is supposed to be given to the person who is put in damage of this. The Ministry of Lands and the President has made decisions converting customary land to public land, and thereafter rented out the land to commercial agriculture. This has caused major problems for the population of Malawi. Commercial estates growing tobacco, tea and coffee have lead to displacement of people to more marginal land and leaving villages with less land (Berge 2006).

Land reforms

In 1995, Malawi started a process of a land policy reform. A major goal was security of tenure. The reforms have not passed through the Parliament. As of today, a new land reform is being processed by the Government.

In the Registered Land Act of 1967, the government tried to implement Eurocentric ownership under registered title to smallholder agriculture with the assumption that customary law did not give adequate security for long term agricultural investments. It was implemented in the Lilongwe West Rural Development Project. It created negative responses from the communities and the government therefore decided not to extent the implementation to other areas (Kishindo 2006).

In 2002, the government issued a policy document called “Malawi National Land Policy”. This was followed by “The Malawian Land Reform Programme Implementation Strategy (2003-2007)” in 2004, and in 2006, the Khaila report that presented drafts of the law reforms. The proposal is to transfer ownership of land from the President and the Government to the Traditional Authorities and put them in control over customary land. The role of the Traditional Authority has been played without formal arrangements (except for accepting that land is governed by customary law). The Land Policy of 2002 proposed that Customary Land Committees should be implemented to control the role of the Traditional Authorities. The committee will oversee formalization of customary land and allocation of village lands. In this Land Reform it was proposed that the committee should be chaired by village leaders from village level and chiefs from Traditional Authority level (Kambewa 2006).

3. Contextual factors

Selection of research villages

Research village 1 is in Chiradzulu, a district in the Southern region of Malawi, located about 20km east of Blantyre. The village is situated approximately 5km from a local centre where there is a hospital, a college and a catholic church. The local centre has bus connection to Blantyre. Many villagers travel to the city daily or a few times a week to sell vegetables etc at the city markets or doing other types of work.

This area was chosen because of the close connection to Blantyre and its high population density.

Research village 2 is located by the main road between Zomba and Phalombe Boma, about a two hour drive from Zomba and one hour by bike from Phalombe Boma. There is a small village centre by the road where it is possible to buy maize, some vegetables and sometimes fruit. There are also some small shops where they sell sugar, salt and soda. Once a week, there is a market a 30 minute walk from the village where it is possible to buy more fruit, fish and meat.

The main differences between research village 1 and research village 2, is that village 2 is located far from the city and has relatively low population density. I have made attempts to find differences in the renting market in these villages, as consequences between high population densities versus low.

Customary law in the two research districts

Research village 1 in Chiradzulu district is originally a Yao village. The Yao was originally a Muslim people. In recent times, the women of the village have married people from other tribes. As of today, there are people from the Yao, Nyanja, and some from the Lombwe tribe, according to the village leader.

In research village 2 in Phalombe district, I did not gather information about which tribes are dominant. Some were from the Lombwe tribe, and some respondents simply did not know which tribe their family belonged to. This must mean that tribes are no longer as important as it once was. It does not seem to be a problem to marry someone from another tribe.

Ibik (1971) describes customary laws in different tribes in different parts of Malawi. The Nyanja and Yao of the Blantyre district were not included in the research. I read the chapters of "The Chewa, Ngoni and Yao of the Kasungu, Salima, Fort Manning and Lilongwe Districts in the Central Region of Malawi" and "The Yao of the Fort Johnson District". In accordance to what I found out in the two research villages, I see many similarities to these districts in customary land law. Still, it must be emphasised that these districts probably differs at many point.

Ibik (1971) wrote that the laws of succession in the Nyanja, Yao and Ngoni etc. of the Zomba, Blantyre and Kasupe etc. districts of the Southern Region are believed to be similar to the Lombwe (Mulanje District), Mang'anja (Chikwawa District), and Sena (Port Herald District) of the Southern Region of Malawi. This is probably right concerning laws of succession, but I could not find similarities in the customary land law in these areas.

I have extracted some information from the chapters of "The Chewa, Ngoni and Yao of the Kasungu, Salima, Fort Manning and Lilongwe Districts in the Central Region of Malawi" and "The Yao of the Fort Johnson District", which are similar according to my observations in the two research villages:

Categories of land:

1. Land subject to common use:

- Pasture land
- Communal meeting place
- Roads, foot paths etc.
- Wasteland such as valleys

2. Land subject to individual use:

Building site (malo)

Vegetable gardens (dimba²)

Farmland other than vegetable gardens (munda)

3. Reserve land

Unapportioned land situated in the village.

Interests in land:

- Indefinite right of occupation and utilization

This is the most extensive right of exclusive use of apportioned land that an individual family member or a family can have. The right is normally inheritable. Essential conditions must be satisfied and right holder must get the necessary consent.

- Temporary right of occupation or use

This is a personal right of an individual to the exclusive occupation or use of apportioned land limited both in duration and extent. A person can for example be the exclusive user of the land for farming for two years. The right is not heritable unless it is agreed. When the agreed period is over, the land reverts to its grantor.

- Common rights

These are rights to use land, apportioned or reserve, for members of the village community. These rights can be exercised by non members of the community if consent is given by the village leader or the chief who is in charge of the land.

Examples of common rights are:

- Right of way
- Right to cut and remove grass for thatching the roofs of the houses
- Right to graze cattle (there were no cattle in my research villages)
- Right to collect firewood
- Right to collect and remove stones, loose soil and mud for building
- Right to take water from streams, ponds and village wells
- Right to hunt game

- Easements

For example a private right to way over someone else's apportioned land.

- Licence

It is a personal right or privilege for a specified person over apportioned land that belongs to the grantor, e.g. the right of a purchaser to grow crops. It can be repealed by the grantor.

This can give the impression that the customary law is lucid and clear. This is not the case. There are many factors that define the customary law and a complete overview of the customary law can not be given.

4. *The field work*

Sampling

I started the work in research village 1 by doing in depth interviews of villagers, selected randomly from the household list made by my first interpreter. I soon figured out that I wanted to find out as much as possible about the rental market. Besides from interviewing the village leaders and the first key respondents, I drew a sample

² Dimba is a garden where vegetables are grown. Dimbas are often located on dambo land, which are wetlands near the river. Dimbas can also be located around the house, with irrigation.

of 30 households in each of the two villages. Two days were spent in each village, interviewing the 30 households briefly, to get an overview of who was renting in, renting out, lending in or lending out land, or had done so in the past. The result was the following:

| | Renting in | Renting out | Lending in | Lending out | Renting in and renting out | Renting in and lending in | Renting out and lending out | Neither renting or lending land |
|---|------------|-------------|------------|-------------|----------------------------|---------------------------|-----------------------------|---------------------------------|
| Households in research village 1 (N=30) | 7 | 2 | 5 | - | - | - | - | 16 |
| Households in research village 2 (N=30) | 8 | 1 | - | 2 | 1 | 1 | 1 | 16 |

If I had interviewed every household in both villages, the outcome, in terms of relative distribution, might have been different. Still, I think that I got a good overview and a result quite close to the actual.

From that point, I started a more detailed research, doing in depth interviews with the respondents who were renting or lending land. I prepared a list of questions for the in depth interviews. Most of the time, the list was not followed in detail. I tried to have more natural conversations about the land tenure system and the rental market. Therefore, I got many interesting stories. Still, I had the check list of questions so I was sure to get all the information I needed.

I also surveyed the fields of the households I did in depth interviews with, using GPS.

Difficulties that occurred during the field work

The main problems I ran into during the fieldwork were caused by the fact that I did not know the language. I worked with three different interpreters. Some concepts and words can not be translated directly from Chichewa to English and vice versa. It happened a few times that something the first interpreter had said was wrong according to the second interpreter. Sometimes, I had to crosscheck information with a third person. It was time consuming and stressing to work with three different interpreters, but some imbalances can probably have been equalized that way.

Trust was a problem during some of the interviews. Some people thought that I was a spy for the government. They were afraid that their opinions would be revealed and that they would get into trouble.

Living in the GVL's compound in research village 1, might have affected my interviews in different ways, for example when I asked people about trust and reliability to the village leader. I think that people were afraid that I should tell the leader what they had said and that it would cause problems.

I also had some difficulties adapting to the Malawian culture. Norms and rules were different from what I had ever experienced before. One time, for example, one of the respondents got very offended when I said no thanks to food that I was offered. Some people also expected me give them some sort of a payment for answering the questions.

5. Observations and reflections

In the following, I will discuss the most important observations made in the two research villages and compare the results with studies on the effects of land reforms in Ethiopia and Latin America.

Observation 1: Insecurity in the rental market

In the two research villages in Malawi, I have found the percentages of land rentals to be quite high, taken into consideration a low level of security of the landowners. In research village 2, forty percent, and in research village 1, thirty percent of the sampled households were renting in or renting out land.

In the two research villages, I have found a high level of insecurity in the rental market. People are afraid to rent out land because they think that the person renting in can occupy it. That is the main reason why most people only rent out to people they know and for one season only. Can a land registration system create more security, and increase the activity in the land rental market? Holden (2007) found in the Southern Ethiopia that the land reform reduced the amount of land renting because land renting needed to be reported and required consent of the whole family. Still, in a study by Holden et al. (2007a) it was revealed that land registration and certification contributed to increase land rental market activity in Tigray, a Northern region in Ethiopia. The difference was that only the name of the head of the household was included on the certificate.

Boucher et al. (2006) have studied the effects of land reforms in Honduras and Nicaragua during the 1990s; most importantly the effects of title and access to credit and land before and after the reforms. It was found in both Honduras and Nicaragua that the reforms have activated the land rental market.

Larger landholders are more likely to rent out than rent in land, and small landholders are likely to rent in than rent out. Still, it was found that the total area of operated land that was rented out did not increase. It actually decreased in Honduras and remained relatively small in Nicaragua. The reforms made significant impacts for landless or near landless people and more people rented in, but they rented in small land amounts. This explains why the total area of operated land rented out did not increase.

Percentages of farmers involved in land rentals in Honduras and Nicaragua are relatively small compared to many other parts of the world, where land rental can account for as much as 40-50% of total land in agriculture. In Norway, approximately 40% of operated agricultural land is rented out. Over 95% of operated land remains with the owners in Honduras and Nicaragua. This can be due to insecurity of property rights for land holders, despite much policy effort in titling and legal reforms. The result of this study is that land reforms have not created significant changes in the relationship between land owned and land operated. The activity in the rental

market has increased in terms of numbers of actors involved in renting of land, but at the same time, decreased the total area of operated land that is rented out.

Observation 2: Poor people rent out and better off people rent in

In research village 1, the households I interviewed had on average less than 0.5ha of land, and in research village 2, the average was 1.1ha.³

In research village 2, people were worse off than in research village 1 in the sense that they seemed to have less food and the houses were in worse condition. Many did not have a separate kitchen and a toilet, which was normal for the villagers in research village 1. This is surprising since they have so much more land per household in research village 2. I think that this has something to do with the close connection to the city in village 1. Many people relied on selling vegetables at the markets and some had other jobs in the city.

I have observed a pattern, yet not without exceptions, that poor people rent out land and better off people rent in land. Poor people renting out are unable to do the field work themselves, or they are in need of money. Those who rent in have more resources and they are capable of cultivating more land. If the land is too much for them to cultivate, they can hire casual labourers to do part of the job. Labour is cheap, as the poorest people are desperate for money. They work for small amounts. In general, doing casual labour is a sign of poorness. Some of the respondents are doing casual labour to be able to rent in land. Some are probably working on other people's fields when they are waiting to harvest their own crops, or in between seasons. The option can be to sit around and wait to do work on your own fields. These people, I find to be efficient and not necessarily worse off because they are doing casual labour.

Some people in research village 2 decided to rent out munda land, and at the same time rent in dimba land. The opposite was not observed. Dimba land is valued higher than munda land, probably because vegetables are easier to sell than maize. Maize can also be sold, and many respondents do it, but compared to the prices they get on vegetables, it is not as profitable.

Observation 3: Renting of land is more common in research village 2 even though land is more abundant

Renting was found to be more common in research village 2, even though land was scarcer in research village 1. Twelve out of thirty households were involved in the renting market, compared to nine households in research village 1. There can be several reasons for this. I will present five factors that I think can have affected this outcome. These are brought out of my own thinking and are based on the observations I have made. The final explanation, I think, is a combination of these factors.

1. Rural-urban linkages

People in research village 1 can more easily earn money outside the village. They do not depend on farming to the same extent. They do not necessarily sell their own crops, but they often buy vegetables at the local markets, where the price is low, and sell them at the city markets.

³My surveying is only based on the information I got from my respondents. They pointed out the land that they owned, and I surveyed it with a GPS. I got help from the three different interpreters, so I feel quite sure that my surveying is close to correct.

In research village 2 they do not have the same opportunity. They can also sell vegetables at their local market, but that is only their own harvest. Some also sold other things at the market, for example home made cookies or mats. The price is lower in rural areas than in the cities. Therefore, they rely on farming to a greater extent. Possession of land seems to be more important in research village 2. The farmers who own small portions of land are more likely to rent in additional land to get enough food for the family.

2. The quality of the soil

The villagers in research village 2 have on average more land than the villagers in research village 1. I understand it as in research village 1 they get a better harvest out of an area of the same size as in research village 2. The quality of the soil might be lower. I got some vague indications on this, for example one respondent who told me that their munda land was completely covered by water during the rainy season. Many complained about problems with soil erosion, but I understood it to be a concern for dimba land, mainly. I did not gather any information specifically on the soil fertility. It is a possibility that this should have been investigated, but it was not. If it is right that the soil quality is lower in research village 2, a farmer will need more land to get the same harvest. Therefore, more people need to rent in additional land to get enough harvest.

3. More land to rent out

Under a subsistent economy it seems reasonable that people rent out the land that they do not need for food consumption. In research village 1, the villagers have smaller plots, so they are likely to keep the fields themselves. They can easily cultivate everything themselves, and supplement with other sources of income. In research village 2, people who have more land are not always able to cultivate all their land themselves. Their relatives might also have much land, so they do not need to lend it. If someone get sick and are unable to cultivate their land, they can rent it out or leave the land fallow. Many of those, who take the risk of renting out the land, do it because they do not want to leave it fallow. Still, some will not take the risk of renting out the land and therefore, just leaves the land fallow.

4. Greater differences between the villagers

Internally, there are greater variations between the villagers in research village 2 in terms of possession of land. Some have very much land whereas others have very little. Those, who have small portions of land, are looking for more land to rent in, while those, who have much, cannot manage to cultivate everything.

5. More dimba land in research village 2

Research village 2 is bordering to the Phalombe River and has much soil for cultivating cash crops. It is not necessary to have big plots of dimba land to get something out of it. Many villagers get their money from selling vegetables at the local market, and they rent in dimbas.

In research village 1, few villagers have access to dimba land. Those, who have, are keeping it themselves. If they had better access to dimba land, more people would probably rent in to cultivate their own vegetables. Instead, they buy vegetables at the local market, and sell it to a higher price at the city markets.

Observation 4: People are hiring labour to work on the rented fields

It is cheap to hire casual labour, and prices on rented land are low. One should expect the opposite in areas with high population density. It seems like it is cheap to hire labourers in advance, for example if they agree before cultivation. I got the impression that it is more expensive to hire someone in the middle of the season. If someone sees that they will not manage to cultivate everything themselves, they are more desperate for help and they pay higher prices. Better off farmers can rent in land, hire casual labour and profit from it. It is not profitable to rent out land. People do it because they can not manage to cultivate everything themselves and they do not have money to hire casual labour to do the fieldwork. Due to high insecurity in the rental market, many villagers leave their land fallow instead of renting it out in the fear of losing it. They have to decide what is more risky: rent out the land or leave it fallow.

Observation 5: The TAs want to stop people from renting out land

The TAs in the two research areas have set a rule saying that no one is allowed to rent out land for more than two years. If someone is doing that, the person renting in will win the right to the land. By renting out, the owner has given signals that he/she does not need the land. Both TAs told Daimon Kambewa, a member of the research project, about this rule. I have made an attempt to understand the reason behind the two year rule of renting. I am aware that I have not caught all the information since I have not interviewed the TAs and only a sample of the households. Still, I think that I have gotten a good understanding of the rental market in the villages. These factors are only thoughts based on the information I gathered during the interviews and the impressions I got. This is what I think can be reasons behind the two year rule set by the TAs:

1. Protect the poorest people.

The TAs will make sure that the poorest people, who rent out their land in need of fast money, will not lose their land for longer periods of time to people with more resources. If poor people commit to rent out their land for many years, it can cause greater differences between rich and poor, and maybe create an "upper class" of people who have access to land. Poor people in need can probably make rushed decisions and be blinded by offers of big amounts of money. After some time, when they have run out of money, they can risk being without land for several years ahead.

They are allowed to make new renting agreements every year. This is not permanent as it is with long term agreements. People who rent out can therefore change their minds and decide to use the land themselves if they want to.

It can be hard to believe that the TAs have set this rule because they care for the poor. Maybe the TAs can get a higher status if the population in their area is better off.

2. Make sure that the owner is using the land himself.

When it is illegal to rent out for longer time periods, fields will mostly stay with the owner or within the family. This creates stability. The TAs can remain in control and easily keep track of what is going on in the villages.

3. Afraid of changes in the property right structure.

As of today, the TAs are in a good position because no one can threaten their power, except those higher up in the system, at DC or government level. They are happy about the situation and do not want anything to change. The society will remain as it has been: those who own much land have enough food and are relatively rich, and those who have little land are poor, have to buy additional food to survive. To be able to get money, they are forced to work outside their own fields, for example field works for those who have much land or do other kinds of business outside the village. The property right structure can change. The owner and the person operating on the land will no longer be the same.

4. Renting can lead to conflicts.

The TAs want the villages to be as free of conflicts as possible. If people know the outcome of a conflict over rented land, they will avoid getting into one.

5. Protect people from their own follies.

Some people who rent in land do it as business and not because they need the harvest for themselves. They rent in land and sell the harvest. This can lead to a society where someone has much food and money whereas someone has neither. The people who rent out use what they earn as soon as they get it, and after some months, they are left with no food or money. They might take too quick decisions and regret it when hunger appears. If they do not receive anything from aid organizations, they will depend on help from family or other villagers to survive.

6. Remain in control over the market.

If someone is in possession of much land, they can do great business. To keep their positions as the richest and most powerful persons in their areas, the TAs can not allow people to get rich on farming. They are afraid that the competition of rented land will get higher and that the prices will increase. This can be the beginning of a more money based society and can lead people to be more independent.

7. Remain in power of land

TAs have the power to control the use and allocation of land. Throughout the history, TAs have seen themselves as custodians of the land with the ability to allocate land to the people who need it and witness transactions within families. When people are renting out land that they are not cultivating, there is less unused land in the villages. The TAs are left in control of less land and their positions are weakened. The rule might be an attempt to retain status in the society and some control over land.

Reflection 1: A free rental market

I will present two hypotheses, which could be consequences of implementation of a land reform. This discussion will have to take into consideration the prevailing form of subsistence economy and increasing population density. These hypotheses are the background for the following reflections:

1. Secure ownership
2. Free renting; no interference from the TAs.

Increased prices on rented land and higher economy for the owners of land and for those renting in, as they need more money to be able to rent in land, can create better living conditions, better tools for farming etc. Over time, this could also lead to a higher level of education as people can afford sending their children to school and

lead more people to seek work outside the village. Villagers will get more knowledge about economy and farming. I will bring it one step forward and write my thoughts about what I think is necessary for this to succeed.

I feel quite sure that a legal, secure rental market will create higher competition on rented land and hence, the prices will be more important for the person who is renting out land. For the people renting in to be able to participate in the competition of access to rented land, they need more money. This will lead to a higher income for those renting out. Since it is often poor people, old or sick who rent out, they might actually earn enough money to buy food. Still, the prices can of course not exceed the prices of buying products at the market. Could a consequence of such a development lead to a change in the pattern of the people who rent out? Would people rent out because they can profit from it, and not necessarily because they are unable to cultivate themselves?

Could a consequence also be a different group of people renting in land? Today, most people rent in because they need more food for their family and it is cheaper than buying finished products. With a free, legal and secure rental market, more people might rent in land to sell the harvest. To succeed, they will need capital to buy enough fertilizer and maybe better tools to improve the efficiency. Will only people who have money and the right tools, be able to rent in land?

I am inclined to think that major expansion in the activity in the rental market is impossible without higher security for the actors. People have to feel safe not to lose their land when they rent it out, and those who rent in need to feel safe that they can keep it for as long as they have agreed.

Still, land is a limited resource. In a matrilineal society, the average land per household decreases unless massive outmigration takes place. If the size of the fields decreases to a point where a household can no longer live out of farming alone, people are forced to rent out their land and seek labour somewhere else.

Reflection 2: The importance of more formal agreements

Are more formal processes of agreements necessary for people to feel safe? Today, people say that they make agreements with the owner and nobody else, without formal recognition, and that they pay before field preparations. This is insecure and conflicts can easily occur on different points. I understand it as people normally inform their family members about the agreements. This gives them some security, since I think that in conflicts, family members will support each other. Family members are not impartial witnesses and this might be considered as “informal” processes of agreements.

The terms of formality and informality can be discussed. What makes an agreement formal? A normal understanding of the term “formality” in terms of agreements is written contracts. This is not necessarily the case. An agreement that is recognised at a local level, as some sort of “official” announcement, for example announced for the village leader and with witnesses present, can be just as “formal”. A question that needs to be asked in this discussion is who will enforce the contracts? It does not have to be the superior legal authorities who enforce the contracts for the participants in the markets to obey. Will the local society help to enforce the contracts? Local enforcement mechanisms can have the same effect on people’s willingness to obey. I believe that the consequences can even be bigger, for example eviction from the community.

In Norway, we are used to having written agreements. Still, when it comes to renting of agricultural land, many agreements are oral. It is stated in Norwegian law that all agreements, written or oral has the same validity. Still, it is word against word. The reason why there are so many oral agreements in renting of land is probably a high level of trust between the actors on the country side of Norway. The Norwegian rules of renting out agriculture land are not as strict as what is observed in the research villages in Malawi. Norwegian villages are often small and farmers know each other. It is quite common to rent in from people in neighbouring villages as well, and I think that people choose written agreements to a greater extent if they do not know the person that they rent out to or rent in from. I observe the same pattern in the research villages in Malawi. Since they do not use written agreements with people they do not know, they only rent out their land to people they know. This narrows down the rental market to involve only people who know each other.

I think that with the use of written agreements or another kind of formal announcement, the rental market could probably grow bigger and the competition would increase. If they do not use written agreements, impartial witnesses would also create security. It would not necessarily have to be the village leader, group village leader or TA, but someone who would not take side in a conflict.

This also concerns those who rent in land. They are afraid that they will be chased away as soon as they start to work on the rented fields if they do not know the owner.

In terms of written agreements, the high level of analphabetic people in the village must be taken into consideration. Still, I think most people can write their name. This can maybe be solved by involving the village leaders in the process of agreements. The village leader could write the contract, or maybe have a standard formula, that the parties could sign. It would also be possible to bring a family member to sign. This could give agreements higher validity. If a conflict had occurred, they could easily go back and look at the agreement. The village leaders or group village leaders could keep a register over who is renting, the price, which area and to what extent they are allowed to use the land.

If people had a higher level of security when renting in land, they would probably preserve the fields better. I think that they would do investments to avoid soil erosion and maybe invest in better farming tools and more fertilizer. This could give them a better harvest. Jealousy would maybe not be a problem as it is today because the owner could get a good price for renting out.

Reflection 3, the effect of more formal agreements

At the bottom line, some of the findings in the two villages in Southern Malawi differ from what is found by Holden (2007) and Boucher et al. (2006). I found that poor people are renting out and better off farmers are renting in land. Many people rent in land to sell parts of the crops and they often hire casual labour for parts of the fieldwork. I am unable to say how implementation of a land reform will affect the rental market. I have found a high level of a feeling of insecurity for the actors in the two research villages. I believe that higher security for the actors in the rental markets and more formal agreements will have the opposite effect than in Honduras and Nicaragua. I think that there will be a significant change in the property right structure. More people will rent in and rent out land, and a higher percentage of the total area of operated land will be rented out.

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