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Economic and social issues related to foreign land grab and capacity building in Zambian Agricultural economy

Abstract

This paper focuses on the recent land grab in Zambia for agricultural investment. The paper explores the history of foreign land acquisition and shows the dynamics that led to the liberalization of land market in Zambia. The research argues that despite the negative effect of these investments, the government can leverage this opportunity to place the country on the trajectory of growth, especially in the area of capacity development through skill acquisition. This can be achieved by structuring the contract to contain some performance requirements that investors are expected to contribute to the local people.

Keywords: land grab, foreign agricultural investment, capacity development.
JEL Classification: Q1.

Introduction

Zambia is the amalgamation of North-Eastern Rhodesia and North-Western Rhodesia to that made-up the former British Colony of Northern Rhodesia in 1911. The country was rechristened Zambia during the declaration of their sovereignty in 1964, and the name was derived from Zambezi River, which runs via the western region and shapes the country's southern border (Human Rights and Documentation Centre, 2007). The country was originally inhabited by Khoisan people until the 12th century during the Bantu expansion when they were absorbed and displaced by the migrating ethnic groups. It is generally believed that the first ethnic tribe to settle in Zambia was the Tonga people (Livingstone Tourism Association, 2007). The country is made of ten provinces, with a deputy minister in charge of the administration of each of the province. The provinces are further divided into 72 districts.

Zambia is inhabited by 13,000,000 people as at 2012. It has a land mass of 752,000 km^2 with a population density of about 15 people per km^2 (Oakland Institute, 2011a). The country is regarded amongst the most thinly populated in Sub-Sahara Africa. 65% of its total population are rural dwellers, and 80% of the rural population depend on subsistence farming, which is essentially tied customary land (USAID, 2010). Urban cities in Zambia are overcrowded and approximately 60% to 70% residents in the urban cities live in makeshift or illicit settlements that grossly lack housing, sewage services and electricity (USAID, 2010). The country is also characterized with wide spread poverty that is predominantly rural. According to Oakland Institute (2011a), the GINI index for income distribution places Zambia at 50.8, which places the country at 23rd out of 134 countries ranked. The number of people living below USD 1 per day is 63.6%, and 41% of the income is made by the richest 10%, which reflects a widening gap between the various classes in income distribution. Poverty rate in Zambia increased astronomically in urban areas recently, because of volatility in commodity prices and gross decline in copper mining industry (Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 2009). This development has adversely resulted in increasing unemployment rate, increasing dependence land as a dominant source of livelihoods and the inability of Zambian government to provide basic infrastructure (Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 2009).

Corruption in the country has translated into income inequality between the poor and the rich. Though, the Sata led government that assumed office in 2011 had made the fight against corruption one of its cardinal objectives. Zambia ranks 123rd amongst 179 in transparency International's Corruption Perception Index (Clarke et al., 2010; and Government of Zambia, 2010). The general perception is that corruption is a common phenomenon in Zambia and more pronounced among government officials. Though, the country recorded steady annual growth of about 5% between 2001 and 2010. Clarke et al. (2010) argue that while this has helped reduce poverty in the urban areas, the rural areas are worse-off, and that to halve poverty by 2015 and reaching middle income status by 2030, Zambian economy needs to grow faster and the growth pattern must be diversification-based.

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Ironically, the country is rich in natural resources. The main stay of the economy is copper mining, though other minerals like zinc, cobalt, lead, coal, emeralds, gold, silver, hydropower, tin and uranium exist in commercial quantities. The country is also rich in bio-diversity, great amounts of water, and good quality arable lands for agriculture. The country has 105.2 cubic km total renewable water resources, and this does not include total water resources that have been reserved for upstream and downstream countries through international pact (Central Statistical Office, 2007). The country has enormous amount of water, since it is estimated that 42% of total water in Southern Africa is in Zambia. Oakland Institute (2011a) posits that the country hosts various trans-boundary waterways, which include the Zambezi and other headwaters of key waterways for example the Congo River. Shallow water endowments have been projected to be about 45,000 km^2, and the yearly overflow is projected at around 90 billion m^3. Zambia is also endowed with unprotected potentially available good grass/woodland that is ideal for planting of wheat, maize, soybean, sugarcane, oil palm, rain-fed sorghum and rain-fed cassava (Fischer and Shah, 2010).

Zambia is witnessing a surge of international interest in large scale land acquisitions for agricultural purposes. To secure food in order reduce the recent high prices caused by policy induced supply shocks, Hallam (2009) argues that such has brought about recent trend of interest by foreign investors in food production. The drive for large-scale foreign land acquisition in Zambia might be attributed to weak land governance, high profile corruption, government policies, large tracts of arable lands, and abundant water in the country (Liversage, 2010).

The current debate on improving land administrative system and agricultural investment has been necessitated by the recent phenomenal land grab. Liversage (2010) feels that this is imperative given the fact that attention need to be given to the rights to land and subsistence of the vulnerable groups, small-scale farmers, indigenous communities, pastoralists in addition to improving the quality of life of other vulnerable groups.

The essence of this paper is to contribute to the on-going discourse by reflecting on how foreign agricultural investment can lead to skill transfer. In particular, the paper explores from historical perspective the institutional dynamics and interest that is shaping the land deals for foreign agricultural investment in Zambia. Relying on documentary evidence and as a precursor to field trip to Zambia, the paper reflects on how host communities can benefit from this investment, especially in the area to capacity development through skill transfer. For the purpose of achieving this objective, section II reviews the historical perspective of land tenure and foreign land grab in Zambia; section III explores its impacts on host communities; while section IV makes recommendations that can help Zambia leverage on the benefits of this investment.

1. Historical context of foreign land grabs in Zambia

Foreign land acquisition in Zambia can be traced to the 18th century during the visit of Europeans. According to Living Stone Tourism Association "the earliest European visit to Zambia, was by Francisco de Lacerda in the late 18th century, while the most outstanding was by David Livingstone, whose visit was motivated by his vision of abolishing trading in slaves via the '3 Cs' (Christianity, Commerce and Civilization). The first foreign deal took place in 1888, when the Paramount Chief of the Lozi gave the British South African Company (BSA Company) mineral rights from Litunga, which later became North-West Rhodesia. According to Livingstone Tourism Association (2007), around 1895, Rhodes requested Frederick Russell Burnham to search out for minerals and means of improving navigation of river within the region, and it was within these expeditions that major copper deposits was discovered around the Kafue River.

Within this period, BSA Company established administrative authority in the North-West Rhodesia, which was later extended it to North-East Rhodesia under concessions from the local chiefs by 1890s, and formally amalgamated in 1911. The British South African Company used the declaration of protectorate in Northern Rhodesian and its authority as administrator of the territory to claim vacant and unalienated wastelands (Brown, 2005; Chileshe, 2005).

It is generally believed that the alienation of wasteland by BSA Company was to preserve the choicest tracts of land for the expected arrival of European settlers (Chileshe, 2005). A corollary was to introduction of native reserve land where Africans were pushed to in order to make land available for European settlers. In the words of Chileshe (2005), *"to provide for the anticipated influx of European settlers, it was official policy to set aside large tracts of land free from African occupation …"* Two major factors would have made the land alienation meet least resistance from the local people. First, in the pre-colonial Zambia, individuals did not own land; rather lands were communally owned but vested in the chiefs, whose duty it was to allocate to individuals according to their need (traditional communism). Second, Zambia population density was low. In this instance, Mvunga (1980) noted: *"African popula-*

tion densities were low and alienation of land to European settlers was confined to the zone along the railway line (Livingstone and the Copperbelt), around Mbala (Abercorn) in the Northern Province and around Chipata (Fort Jameson) in the Eastern Province". BSA Company established 19 provisional reserves in Eastern province by 1913 for occupation by Africans. Mvunga (1980) described the injustice against the native people. He noted that as the earliest European immigrants in Zambia took over the finest chunks of land with the best fertile soil and water resources, Africans in this region were became almost like tenants in the British South African Company.

Though these native reserve lands were not approved by Colonial Office, the Colonial Office in 1923 declared the alienated lands Crown owed land and granted rights to the minerals to the BSA Company. In 1924, after the decision not to renew BSA Company's charter, Company relinquished the running of Northern Rhodesia back to the British Government. This led to the appointment of Sir Herbert Stanley as the first Governor of Northern Rhodesia protectorate. The new government appointed a Native Reserve Commission in 1924 and the Commission proposed large reserves for the Chewa, Nsenga and Ngoni tribes, which was granted through the 1928 Order-in-Council. This resulted to the creation of East Luangwa District Reserves and Africans were mandated to move to the reserve within five years period without compensation (Mvunga, 1980).

By implication, the 1928 Order-in-Council officially introduced dual categories of land tenure system in Zambia known as Crown Land and Reserve land. This legislation effectively demarcated areas that are rich with mineral resources and most appropriate for European settlements as crown lands. The 1928 Order-in-Council also assigned mineral rights to the British South Africa Company, while restricting Africans to surface right of the land. The reserve lands were administered by the chiefs and governed under African customary law, while the crown lands were governed by the English and Statutory Laws. European settlers in the crown lands at that time held the land as freehold (Brown, 2005). The coming of the a new Governor, James Maxwell in the early 1930, who had strong preference for leasehold, change the freehold policy granted to European settlers in favour of leasehold (Brown, 2005).

The leasehold policy was short-lived as the British Government reversed it in favour of freehold in 1960, through the Crown Grant Ordinance, No. 3 of 1960, owing to vitriolic criticism that the European settlers mounted on the policy. Chileshe (2005) noted that European settlers seriously protested against leasehold tenure. They based their argument on the premise that the leasehold tenure failed to ensure the security of land in comparison with settlement of permanent nature (Chileshe, 2005). The policy of land tenure dualism in Zambia entrenched discrimination and deprivation along ethnic lines. For instance, while the reserved lands became over-populated because of the influx of natives whose lands were alienated or disposed from them, the expected European influx did not materialize and the unoccupied Crown Land was in excess and was later described as silent lands (Brown, 2005). The deplorable state of the reserves elicited series of complaints from the local people and the complaints ranging from soil erosion to overpopulation in the reserves.

The deplorable situation of reserve lands in Zambia led to the setting up of Pim Commission of 1938, which led to a proposal for Native Trusts Land in 1941 (Mvunga, 1980). In 1942 two commissions were established. The first was to recommend for more land along the railway line for the local people. The second was established at the instance of European settlers to reserve certain acreage of Crown lands for their tobacco industry needs (Mvunga, 1980). The reports of these two Commissions were consolidated in 1946, to be known in 1947 as the Native Trust Land Order-in-Council. The 1947 Order-in-Council introduced Crown Land, Native Trust Land, and Reserve Land. There was also a proposal by the government for legislation on all alienated lands or land that were previously classified Native Reserves. The affected lands were broadly classified into Crown Land and Native Trust Land (Republic of Zambia, 1967 cited in Chileshe, 2005). The native trusts lands, which encompass 57% of the colony, were set aside for benefit of the local people (Brown, 2005). Chileshe (2005) observes that the provision in Native Trust Land for the allocation of land to individual European and Africans for specific purpose, significantly accounted for the dissimilarity between Native Trust Lands and Native Reserves. The objective was to ensure that land allocation would be of benefit to Africans rather than for direct occupation by Africans. The 1947 Order-in-Council subsisted till the country's independence in 1964.

Land reform in Zambia after independence (1964-1994) was characterized by nationalist Africanism and economic socialism. For example, the Zambia State Lands and Reserves Order 1964 vested Crown Land and the Native Reserve Land in the hand of President. The Zambia Trust Order 1964 also vested in the President the Native Trust Land. The Crown Land became amended to State Land by 1964 Order. The approach is similar to the Kenyan experience where such legislation only changed the nomenclature on the land without actually changing the ownership structure of those lands (Chileshe, 2005). For instance, the interests were the same since the government maintained the use of chiefs in administration of customary lands and the categories were still the same, which is synonymous with the British system of indirect rule before independence.

President Kaunda's announcement of the government's decision to adopt one party state on the 25th of February 1972, led to the amendment of the constitution on 13th December, 1972. This action was driven by the government desire for socialist political ideology. On land reform, the President made the land a state property. The thinking behind the reform was that ownership was through individual usage over the passage of time and that land was not bought (Chileshe, 2005). The land was administered by the chiefs and the elders on behalf of all the people (Chileshe, 2005). In line with this ideology, the government announced the 1975 Land (Conversion Titles) Act which took effect on the 1st of July, 1975. This Act radicalized land tenure in Zambia. The major provisions of the Act include; conversion of all freehold title to 100 years leasehold; state takeover of all utilised tracts (freehold for commercial farms and residential areas in towns and cities); local or central government takeover of underdeveloped lands in the towns and cities; prohibition of the sales of vacant land, except for development purposes; and that all lands in Zambia shall be entrusted with the President, who shall take infinite custody of them on behalf of the citizens (see Brown, 2005; Chileshe, 2005).

This Act introduced the notion of 'land devoid of value' in Zambia and also marked the mass exodus of European farmers from Zambia (Brown, 2005). Critics of the government socialist ideology argue that the legislation suppressed the development of land market in Zambia (Chileshe, 2005). Though, the reform is seen as a radical departure from the colonial land tenure system, it is very relevant to observe that the colonial land categories still remained. In 1985, the draft that stipulated the procedure for converting customary freehold to leasehold tenure was passed. The legislation also prohibits the alienation of lands, except presidentially certified investors and charitable organization which was limited to foreigners (Brown, 2005).

The amendment of Zambia constitution in 1990 and the election of President Chiluba in 1991 led to land policy reform from socialist ideology to capitalist ideology. According to Brown (2005), the Zambia land reform was an electoral pledge and also a key condition the Zambian government must fulfil in order to restructure its international debt. He posits that multilateral institutions like USAID, IMF and World Bank played outstanding part in ensuring the liberalization of land management in Zambia. With generous funding from USAID, the President Chiluba led government in 1993 convened a National Conference on Land and Regional Reform (Brown, 2005). The recommendations of the conference were codified into the Land Bill of 1994, though the bill was strongly criticized and could not gain passage in the parliament. One of the criticisms was the proposal that the President may part with any land in his custody to any individual or entity (Section 3 (3) of Land Bill 1994). The general fear of the clause was that it gave the President unfettered power to allocate land indiscriminately to Zambians and foreigners. This is because such provision might empower an irresponsible government to alienate good lands to foreigners, to the detriment of poor Zambians.

A modified version of the bill was brought back to the parliament in 1995. Hansungule (2001) cited in Chileshe (2005) asserts that Movement for Multiparty Democracy (MMD) parliament members were compelled to vote in favour of the bill or face expulsion from the party during a party caucus meeting called at the instance of the president. This resulted in The 1995 Land Act No. 29 that repealed 1975 Land (Conversion of Title) Act. The Act also liberalized land administration in Zambia. The major provisions of the Act were; it vested all lands in the Present and gave him the power to alienate land to Zambians and foreigners, with the status of permanent residents and/or investors, strictly in accordance with the Investment Act of 1993; Reserve and Trust Lands are categorized as Customary Areas; alteration of customary tenancy to leasehold, for a maximum period of 99 years; it gave exclusive powers to the President to sequester lands in an area administrated by customary tenancy without recourse to the chiefs; the introduction of Land tribunal; and the categorization of Zambian lands into State Lands or Customary Land.

The way and manner the 1995 Land Act was passed into law raises series of questions on the legitimacy of the Act and the long-run benefit of the reform to Zambian people. Importantly, the drivers of the land reform are multilateral institutions like IMF, World Bank and USAID, with the prime aim of liberalizing Zambia land, and making it easier for foreign and local investors to easily acquire title to customary lands (Hansungule, 2001). The general argument supporting the reform is that converting customary land holdings to leasehold will enable villagers to use their land as security (colleteral) for borrowing. However, Brown (2005) argues that the objective of the Act was to perpetually shrink the number of lands in the hands of communal tenancy in order to free additional lands for the purpose of investments, since the targets for conversion are hot spots in

Zambia. He further remarked that title conversion has been focussed in peri-urban regions and those regions in Zambia where profitable agricultural activities and tourism business show great potentials. In his view, the highest quantity of titles was allotted in rural areas close to the Copper belt, Lusaka and vicinities of prime tourist destination (namely, Lower Zambezi National Park, Livingstone, South Luangwa National Park and Victoria Falls).

The legislation is also responsible for the diminishing customary land and rapid land acquisition by foreign investors in Zambia. Till date, there is no country statistics on title conversion or foreign land acquisition in Zambia. Promotion of foreign investment was the primary aim of the 1995 land Act in Zambia. This according to Brown (2005) is superior to the Land Act under Kaunda regime. The superiority results from the fact that it accorded foreign investors greater opportunity to acquire land in Zambia thereby increasing the direct foreign investment (Brown, 2005).

The exact figures of these investments are not available, however data from the Zambia Investment Centre, shows that about 240 certificates of investment were dispensed to large-scale commercial farmers from 1995 to 2002. The difficulty in getting accurate statistics of foreign direct investment in Zambian agriculture could be attributed to the fact that that many investors may not deal directly with the Investment Centre. They may directly approach the State House or chiefs. The legislation, in part, would have opened up opportunities for the beleaguered Zimbabwe farmers to move over to Zambia. For instance, it is speculated that more than 200 Zimbabwe farmers purchased farms in Zambia within the period (Hallam, 2009). For details of areas of land under different tenures and customary land available per province and the diminishing customary lands in Zambia, see table 1 and 2. Table 1 clearly depicts land areas under different tenures. Customary lands in Zambia immediately after the liberalization land market was 66,291,530 million hectares, representing 87% of total hectares, while State land and National Parks stood at 5.4% and 7.9%, respectively.

Table 1. Areas of land under different tenure categories

Land Categories	Hectares (million)	Percentage
State land	4,080,547	5.4
Customary land	66,291,530	87
National parks	5,826,300	7.6
Total	76,198,377	100

Source: Bruce and Dorner (1982) cited in Chileshe (2005)

Table 2 shows the diminishing trend in customary land across the provinces which is predicted to assume a higher trajectory with the huge amount of land acquirement by foreign capitalists venturing into agriculture and the liberalization of land market in Zambia (Moll, 2012).

Table 2. Customary land available per province

Province	Hectare per Household				
	1969	1980	1990	2000	2010
Central	46.3	38.1	26.9	20.7	16
Copperbelt	98.3	32.1	50.9	39.3	30.3
Eastern	4.5	3.8	2.5	1.9	1.5
Lusaaka	37.6	33.9	28	21.6	16.7
Luapula	20.6	12.2	10	7.7	5.9
Northern	54.4	53.3	39.6	30.5	23.6
Northwestern	135.6	105.3	81.4	62.8	48.5
Southern	29.9	25.7	17.1	13.2	10.2
Western	56.2	56.1	42.4	32.7	25.3

Source: Chileshe (2005).

The legislation also led to the classification of State Lands into a 10 years Land recording; in terms of unsurveyed land a 14-years lease was enacted; in terms of residential settlements a 25 to 30 years land tenure license was passed; and for surveyed land, a 99-year leasehold was legislated, which makes it practically impossible for poor Zambians to convert customary land to leasehold. The procedures is criticized for being prohibitively expensive, bureaucratic, corruption infested and mainly focused on Lusaka (Mudena, 2006; Asperen and Mulolwa, 2006; Oakland Institute, 2011a). Brown (2005) summarizes the barriers as prohibitively high cost converting customary land to leasehold; the stringent condition for acquiring initial fourteen-year lease, which requires applicants to obtain the approval of the chief and regional council, employ the service of a surveyor and make payment the lease charges for outlays, which is about 500,000 Kwacha (approximately $100). It also requires the claimant to repeatedly visit the regional head office and the Ministry of Land offices in Ndola or Lusaka, which is extremely expensive for those living outside of Lusaka or the Copper belt. The barriers are greater in terms of converting 14-year provisional lease to 99-year lease. The legislation fuelled the aggressive farm land acquisition by foreigners and empowered the government to convert customary lands into farm blocks under the guise of attracting foreign investors into Zambia.

2. Impact of foreign agricultural investment on rural communities in Zambia

The 1995 Land Act has fuelled the influx of foreign investors from China, white South African farmers, white Zimbabwean farmers, European investors, and investors from Mauritius, China and Egypt. The main venture funds in Zambia are the Altima, Chayton Atlas, Emergent Assets Management, and Danish-based Silverland Fund (Oakland Institute, 2011a) and DWS GALOF (Herre, 2010). Chayton Atlas is a British-based private equity fund that was launched in 2009 and acquired from Zambian government, 25,000 acre farm at Mkushi on a 14-year lease. They promise to create jobs, promote skill transfer among the local people, and most importantly, hugely increasing yields (Kean, 2011). The company also anticipates aggregating close to 100,000 hectares of land in three of five countries in Sub-Sahara Africa (Hedge News, 2011). Emergent Asset Management Ltd is also another private farm that acquired 1,710 hectares of land at Kalonga farm through the African Agricultural Fund in 2008, with another 1,020 ha in dispute (Oakland Institute, 2011a). DWS GALOF is a closed-end fund that was established with assets worth of €110 million. DWS GALOF is offered by Deutsche Bank, while the management of the fund is transferred to Duxton Asset Management based in Singapore. DWS GALOF manages 2,700 hectares in Zambia as at 2010 (Herre, 2010). Other foreign investors include Denmark's PKA (Pensionskassernes Administration) in collaboration with Silver land Fund. One remarkable phenomenon in the Zambia foreign land deals is dearth of accurate statistics of the land deals, and more importantly, the secret nature of the contract terms. Table 3 presents some of the documented land deals.

Table 3. Agricultural investment pledges by year and sector 2007-Jan 2012

Year	Investment Amount ($)	Employment
2007	65,660,668.00	744
2008	45,682,193.00	1,356
2009	45,847,000.00	4,376
2010	41,179,278.00	1,840
2011	357,357,694.00	3,371
Jan-12	10,471,600.00	421
Total	566,198,433.00	12,108

Source: extracted from Zambia Development Agency (2012)

The global land rush is touted to bring great opportunities to African countries. First, it is regarded as an opportunity for African governments to revamp the long neglected agricultural sector which is generally seen as a potential driver of economic growth and development (Oakland Institute, 2011a). Foreign investment in agriculture is expected to increase host government revenue base, improve infrastructure, create jobs, transfer requisite skills to local people, and provide food security and opportunity to diversify energy sources (Castel and Kamara, 2009). For instances, most investors promise to construct roads, provide rural electrification, build hospitals, dams and schools for the communities.

However, most investment arrangements do not in any way reflect these objectives. For example, the country prides itself of creating an attractive investment climate through so many incentives. One of such incentive is the establishment of Zambia Development Agency in 1996, to facilitate the transfer of customary lands to foreign investors through 'farm block concept' (Castel and Kamara, 2009). This can be seen from the core functions of Zambia Development Agency that includes; ensuring fast endorsement of all licenses by the government departments; support in secure work permit for foreign staff; and assist in the acquisition of land for commercial ventures as it relates to Foreign Direct Investment (FDI) (Government of the Republic of Zambia, 2006). The justification for farm block include among others: economic diversification and growth through commercial agriculture; production of adequate food for internal consumption and export in order to enhance food security; and poverty reduction, prevention of rural-urban drift, and the development of rural areas (Government of Republic of Zambia, 2006; Oakland Institute, 2011a). Though, farm block is not a new concept in Zambia, the latest development and government driven effort is traced to 2005. As at 2007, the Zambia Development Agency has earmarked 967.750 hectares of lands in the nine province of Zambia as proposed farm block. For details on the province and districts, see Table 4.

Table 4. Proposed farm blocks as at 2007

S/No	Farm Blocks	Area (ha)	Didtrict	Province
1	Nasanga	155.000	Serenje	Central
2	Kalumwange	100.000	Kaoma	Western
3	Luena	100.000	Kawambwa	Luapula
4	Manshya	147.750	Mpika	Northern
5	Solwezi	100.000	Solwezi	N/Western
6	Simango	100.000	Kazungula	Southern
7	Luwanyama	100.000	Lufwanyama	Copperbelt
8	Chongwe	65.000	Chongwe	Lusaka
9	Mwase-Mphangwe	100.000	Lundazi	Eastern
	Total	967.750		

Source: Oakland Institute (2011)

The government describes the farm blocks as suitable for growing maize, pineapple, beans, soya beans, groundnuts, Virginia tobacco, rice, tea, sunflower, finger millet coffee, cassava, timber, cotton, sorghum, vegetables, potatoes, wheat and oil seeds (Zambia Ministry of Agriculture, 2007).

The consequence of the 'farm block' concept and foreign land acquisition is the displacement of local inhabitants from their customary lands. Displacements in Zambia are in two folds. First, displacement occurs majorly when a chief gives an investor farm land and such land is converted into state land. According to Oakland Institute (2011a), an incident that exemplifies this, involved a 33,000 ha farm land used for tobacco farming, which was allocated to MADCO (a British/Zimbabwean joint venture) in 2002. According to the institute report, the chief permitted them to convert 26,000 ha from customary to state owned lands for commercial ventures, which resulted in 2,000 families in five villages becoming displaced people. Oakland Institute (2011a) also showed the problems with the compensation system by asserting that the villagers that are affected had the option of either leaving or working in the farm. In the MADCO's incident, reparation provided to affected persons was only for the structures on the land. This sum was estimated to be around ZMK 500,000 and ZMK 1,000,000 (about USD 100 – USD 200).

Second, there is the general fear that the development of farm bloc might also lead to displacement of locals. A newspaper report estimated a total number of nine thousand people as been designated for eviction in the Nansanga farm bloc without alternative settlement (Chanda, 2011). Although, government officials maintain that people will not be displace except the major investors proposes for instance the construction of a new dam, which may result in the displacement of few families (Oakland Institute, 2011a).

However, a more accurate statistics on displacement is provided by Chu (2012), though not published. The data shows that six cases of displacement were reported between 2002 and 2010 which involves 456 households in the district of Mpika in 2008 and 2009, the districts of Mazabuka, Serenje, Kafue and Choma, respectively. The figure shows low incidence of displacement, but the procedure for resettlement leaves much to be desired as most affected people are relocated to another land. This was attributed to the absence of legal provision or regulatory framework/guideline for resettlement and compensation. A more appropriate scheme would have been for the investors to acquire the land at the market prevailing rate based on the position of the land, the level of development on the site and the quality of the land. This will allow the local people exercise the choice of where to resettle and how to resettle, most especially, given that they will also lost their source of livelihood.

Another critical defect of the current land rush in Zambia is the opaque nature of the contracts. Though, the Investment Promotion and Protection Agreements have a clause that requires confidentiality, but the lack of transparency has only succeeded in undermining government accountability, thus increasing corruption and non-herd behavior among government officials (Chanda, 2011). Environmental Impact Assessment statutorily should be made a public document, but civil society groups on land advocacy in the country seem not to have seen any copy, except that leaked by Oakland Institute (Chanda, 2011). Even government departments that are not involved directly in bargaining seem unaware of what the deals contain, let alone the local chiefs (Oakland Institute, 2011a). Some studies suggest that the opposition to the investment received from host communities could be attributed to the secret nature of the deals and non-consultation with the communities (Cotula, 2011; Liversage, 2010; and Oakland Institute, 2011b). One of the current researcher'svisit to the Ministry of Land and Agriculture reveals the non-existence of data on the total number of foreign land deals in agriculture investment, let alone the contents of the contract documents.

Another critical area is the development of agrofuel. Zambia does not produce oil or gas like some Sub-Sahara African countries and this places the country in comparative disadvantage in terms of high and volatile oil prices in the world market. Foreign investors have mentioned that the establishing an agrofuel industry is the solution to the problem (Oakland Institute, 2011a). Currently, it is speculated that more than nine land deals involving not less than 79,300 hectares purposely for agrofuel. This has led to the development of crops like sugar cane, maize, palm oil and jatropha in Zambia. Oakland Institute (2011a) identified DI Oils (awarded 155,000 ha), though later pulled out from Zambia and were only involved in out grower scheme and Marli Investments (awarded 18,500 ha) also practicing out grower scheme are the two major agrofuel investors in Zambia, and both practicing the out grower scheme. Sugar cane, corn, and jathropha are regarded as some of the thirstiest crops. It is predicted that in 2015, these crops will cover 5 million hectares in Africa, and will require about 1,000 to 1,500 mm per ha of water in a year to achieve the harvest (Oakland Institute, 201d). According to Oakland Institute (2011c), the farming of about 5 million ha of jathropha alone may require about 50-75 km^3 of water in a year.

Though, Zambia is richly blessed with abundant water supply with 42% of total water in Southern Africa (It is the host of major trans-boundary water supplies, including Zambezi and the source of foremost rivers like the Congo River), the development of agrofuel is likely to have adverse effect on local communities

(Oakland Institute, 2011g). This concern is raised because of two factors. Firstly, the management of water in Zambia has remained greatly disjointed, poorly controlled, and faintly implemented. Secondly, the vital inducement in the current land acquisition is the water factor. According to United Nations (2010) briefs, *"agricultural trade specialists have long recognized the notion of trade in virtual water to account for water needed to grow different crops"* and influenced targeted lands. For instance, Chayton Atlas, one of the biggest farms in Zambia asserted: *"the availability of water is the most important of the criteria in our selection. We believe that the more traditional focus on land value appreciation is outdated. Access to water, water rights, and the ability to develop and carefully expand irrigation schemes drives our process at the primary production level: the land is of value to the extent that water is available"* (Oakland Institute, 2011g). In that case, ownership of water rest in the hand of the President of Zambia, however, owners of land possess the right to the water situated in their land (Oakland Institute, 2011g). In other words, water right comes freely with the valuation contained in the land investment contracts. The implication is that agrofuel development impacts on the quality and quantity of water and the crops causes water pollution, increase sedimentation, excessive nutrient loading (see Oakland Institute, 2011d) and distortion to local water use pattern and history. The purported postulation that agrofuel development will act as alternative source of energy for the local market is elusive, since the bulk of the agrofuel crops are exported to developed economies. For example, DI Oil is currently constructing a plant for refining oil in South Africa (Oakland Institute, 2011a), and the subsection (1) of section (5) of the Zambia Development Agency Act No. 11of 2006 allows foreign investors to export agricultural products without any restriction (for details see Zambia Development Agency, 2011; and Government of Republic of Zambia and Zambia Development Agency, 2006).

One of the promises of foreign investment in agriculture in Zambia is to guarantee food security. However, this promise has taken a twist as the trend shows that the interest of the investors is not for the local market. Oakland Institute (2011a) captures this worrisome situation in Zambia in this manner: *"what people worry about is long-term food security should the rate of commercial agriculture continue to increase as projected. Currently, there is adequate land and water available in most areas so that displaced people have somewhere to go, to harvest from, and clean water to use. But as land pressures increases, and more awarded leases are cleared and developed, displaced farmers will move and more marginal lands, communal resources will be diminished, climate related variability will increase periods of extreme food insecurity and food/land-related conflict will increase"*. This is disturbing given that the Zambian population growth rate is estimated at 941 per cent between 2011 and 2100 (Oakland Institute, 2011d). The consequence of this is expected to be severe given that most of the investments are on cash crops for export, which has severe political, economic and social implications, especially when placed visa-vis the level poverty in Zambia.

Another important question is the adaptability of large-scale farming skills to the local smallholders farming. A good example is the skill and technological transfer. It is generally argued that for a country with 63.6% of its total population living below USD 1 per day, and 96% of this population being smallholder farmers in rural areas, whether skills acquired from large-scale mechanized farming will be of any use to smallholder farmers. This is more disturbing when one considers the fact that the Zambian government through Zambia Development Agency is converting customary lands to farm blocks, an investment outlet that targets foreign investors. It is important to note that foreign firms in Zambia are highly mechanized and provides limited employment, which is often seasonal (News Embargoed, 2011). The nature of the farm bloc scheme reveals no idea that investors are seeking to optimize indigenous content. Also, investors find large scale mechanized agriculture most appropriate in terms of management and the government of Zambia is luring investors by placing little or no limit to the number of expatriate workers (Zambia Development Agency, 2012). Oakland Institute (2011a) further reports that most farm laborers in Zambia are women, particularly on cotton farm. Most of these women also come with their children, of which most of them also participate in the work and are remunerated with peanuts. It was also believed that foreign investors prefer women since they are less protected by the country's labor laws and are paid less than men. Zambia Development Agency (2012) Investment Pledges reveals that foreign investments in agriculture created 12,112 jobs between 2007 and 2012 (see table 5 for details). This information might not be useful in appraising skill transfer since it did not disaggregate the jobs into permanent and causal contract and skilled and unskilled manpower.

More useful information is provided by Chu (2012). She opines that the current arrangement will definitely not lead to skills transfer. Her analysis using employment data generated from Land Department at district level on seven farms put the percentage of casual to permanent workers at 39% and 57% of the female workers are under casual contract. Though, the information did not contain the skills or duty specification of the workers, but it provides us a peep on the nature and structure of employment generation in these projects. The use of casual workers cast so much doubt on how these investments can be used as a vehicle for capacity development.

Rather than appraising the outcomes of large-scale investments in the agricultural sector for possible reforms and regulation, the government is implementing incentives schemes to attract investors. The government through the Zambia Development Agency, for instance, is providing spectacular supports for foreign investors. For instance, in the farm block concept, the government is to provide the requisite infrastructures such as provision of power, construction of accessible roads and other infrastructures. Foreign investors enjoy other benefits like facilitating the business process, granting of tax holidays, confidentiality of business contract and the latitude to export hundred per cent of their produce, among others.

Conclusion and recommendations

Despite the negative impact of foreign land acquisition in Zambia, agricultural productivity in the country still experiences low yield. About 68% of the citizens lives below the poverty line. Poverty within the rural communities is approximately 78% and 53% urban areas (Oakland Institute, 2011a). Given the government desire to eradicate poverty and promote economic growth, it is important for the government to rethink strategies that can leverage meaningful benefits from foreign agricultural investment, most especially in the area of capacity building through skill transfer. For foreign agricultural investment to benefit local inhabitants in terms of technology transfer and employment creation, the designing of investment contracts and selection of business models must be structured to reflect the development aspiration of local people.

The structured contract could contain some performance requirements that investors are expected to contribute to the local people. These include: stipulating a threshold for the number of expatriate workers; minimum number of contract workers and minimum level of local inputs to promote local content. Other strategies could include a clear roadmap for technology and skill transfer; percentage of output for the local market, ratio of locals to foreigners in management positions. and even making the investor move away slightly from capital intensive farming to labour intensive farming. Once these conditions are agreed upon and signed, it becomes a binding contract on the investor and a basis for assessing its contribution to the communities.

Another approach to leverage the benefits of foreign investment in agriculture is to promote mutually beneficial partnership between smallholder farmers and foreign investors throughout grower farming, contract farming and joint venture. This will require the enforcement of rights to land by the local people at low cost. This can be achieved by eliminating the difficulties associated with accessing title to land by the local people, which range from costly and centralized system of land administration to issues of corruption. Though the farm blocks have similar arrangement, but it does not recognize the rights of the local people in terms of land ownership and the conversion of customary land to leasehold. Such arrangement will ensure that smallholder farmers benefit from the investment through employment creation and skill transfer, and at the same time allowing foreign investors enjoy tenure security that encourages long-term investment.

To effectively leverage the benefits of foreign investment in agriculture, there is need for coordination among all stakeholders, especially, access to exact and current information about the deal. Zambia Investment Promotion and Protection Agreement allow for the Environmental Impact Assessment Report to be made public, but the reverse appears to be the case in practice. Accurate information on the deals can help civil societies and local government build critical links to capacity development and skills transfer to the local people. This can be achieved by involving the following by educating the communities on their rights, how it can be exercised, and involving them from the inception, especially in the design of projects, educating them on the benefits, arming them with requisite information for effective negotiation, and strategies for monitoring implementation of the terms of agreement, overseeing of commercial venture and representing as ombudsmen, which will help to critically review and publicize findings. This will also help in holding the governments and investors accountable based on the terms of contract and promises.

Aknowelegment

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