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**Business ‘Power of Presence:’ Foreign Capital,
Industry Practices and Politics of Sustainable
Development in Zambia**

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**Business 'Power of Presence:' Foreign Capital, Industry Practices and
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Abstract

The United Nations Sustainable Development Goals (SDGs) have brought optimism around 'agriculture for development' but also questioned the role of agribusiness in driving national and local development. This paper identifies domains and assesses how an agribusiness power exploits national, regional and local domain to exert control and shape governance dynamics and influence sustainability. Using multi-level interviews with diverse actors, and focus group discussions and household interviews from three outgrower schemes under the multinational corporation Illovo Sugar Plc, the paper demonstrates that corporations deploy the '*power of presence*' to influence policy management, regional and local practices. National investment and trade policies foster sugarcane and agribusiness expansion but neglect environmental assessments that expose social and ecological contradictions such as on competing water uses. At regional and local levels, state-donor relations enable smallholder integration whilst corporations are limiting their participation through tight controls on resources and production systems. By analysing power expressions in sub-national domains, we show how possibilities of sustainable agriculture and rural development are undermined by agribusiness practices. In so doing, we highlight the limits and importance of domestic institutions in framing large-scale agricultural investments as well as mediating corporate practices that will be required to provide a greater focus on sustainable agriculture and rural development.

Keywords: agribusiness power; jurisdiction; sustainable development; Sugar, Zambia

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1. Introduction

The United Nations Sustainable Development Goals (SDGs) have brought optimism around the role of agribusinesses in development, enhancing the prominence of agriculture across many of the seventeen SDGs (Spann 2017; Sexsmith and McMichael 2015). Whilst neoliberal policy developments over the past decades have been a source of power for actors, agribusinesses linked to outgrower schemes have somewhat been distanced from problematic ramifications of large-scale agricultural investments (LaSAIs) (Elgert 2016; Bloomfield 2012). Global governance institutions such as the World Trade Organisation explicitly emphasise agribusiness expansion, market access and increased global exports in developing countries such as those in sub-Saharan Africa (Spann 2017; Weber 2014). However, despite widespread acceptance of the deepening role of corporations in agriculture, the sort of power and influence exerted by agribusinesses on national, regional, and local levels remain poorly understood. Negative publicity surrounding agribusinesses in the era of *'land-grabbing'* has meant that policy makers recognise the need to understand who holds power to shape investment dynamics within their jurisdiction (Amanor 2012). A wide-range of literature on large-scale agricultural investments (LaSAIs) focus on domestic institutions as policy makers, facilitators and coordinators of foreign investments (Grajales 2015). Within these perspectives, some scholars have applied power dimensions in bargaining processes (Rutten et al. 2017) and in showing power inequalities that underpin land acquisitions (Fairbairn 2013), while others focus on domestic entities and relationships in land governance (Burnod et al. 2013). How agribusinesses as 'new' actors and their transformative potential accentuate pre-existing power imbalance or shape policy and industry dynamics receives only peripheral attention and is the focus of this national case study paper.

After over two decades of neglect, agriculture has been promoted in international development since the mid-2000s (World Bank 2007). Driven by the 2007/2008 commodity crises, '[t]he emerging new agriculture is led by private entrepreneurs in extensive value-chains linking producers to consumers and including many entrepreneurial smallholders supported by their

organizations' (World Bank 2007, p8). National states are urged to promote 'competitiveness in the agribusiness sector and support the greater inclusion of smallholders' (p8). A key concern however has been land concentration into larger land-holdings, driving powerful industrial actors. For smallholders, powerful agribusinesses can be exclusionary rather than inclusive and may not guarantee the more successful use of agriculture for development (Akram-Lodhi 2013). To Sexsmith and McMichael (2015), incorporating smallholders into agribusiness supply chains as contract labour or where they are compelled to migrate out of farming reflect enduring legacies of depeasantisation. Agribusiness power and influence that shape micro-level agriculture and development dynamics thus remains a key concern in critical agrarian literature (Rutten et al. 2017; Hall et al. 2015; Gingembre 2015).

This paper explores how an agribusiness deploys power and influence to shape national policy developments, industry governance, regional and local sustainability in the sugar sub-sector in Zambia. Using the concept 'power of presence,' it considers how national, regional, and local level domains around the sugar industry enables agribusinesses to exert control and influence on the agro-industry chain. At a local level, it focuses on the way an agribusiness power and influence shapes land and labour relations and what this means for wider development and sustainability. The specific objectives are to: 1) explore key actors involved and their influence in the sugar industry in Zambia; 2) to explore local and regional impacts of sugarcane expansion and how an agribusiness shape and influences these processes; and 3) to examine key national and industry policies shaping the sugar industry and how these processes have been framed to deepen an agribusiness influence and implications for development and sustainability.

2. Agriculture, Foreign Capital and 'Power of Presence'

This study uses the concept "*power of presence*" to refer to how an agribusiness uses its existence at jurisdictional scale to influence policy developments and industry practices at national, regional and local levels (Cash et al. 2006). Power is the ability of one actor to prevail over others in achieving desired goals (Lukes 2005). Influence is the process of affecting the thoughts,

behaviour and feelings of another, but the actual capacity to influence depends on power (Lefebvre 1991). Agribusinesses organise in national contexts, and deploy their existence, power, knowledge and resources to shape governance and regulation at different levels. That agribusinesses can influence policies or align their efforts to a national agenda, at one level, and shape regional and local governance dynamics at another level within the jurisdictional scale reflect their presence.

The exact end of '*power of presence*' is non-linear as there can be reversals and shifts in political and economic processes and environments. For instance, national policy actors relate differently to agribusiness production as well as sector-specific configurations including agenda setting. Regional actors include district administrators implementing development plans. Local actors include smallholders as growers and their communities. Local and regional expressions of power are interrelated, and links to the national context. One way of dealing with such difficulties, as Cornwall (2002) suggests, is by situating analyses within its own context. Luke's framework isolates three forms of power. First is *instrumental power* – overt, measurable, and observable expressions of direct influence (e.g. through force, financial, social resources). Second is *structural power* – referring to the wider socioeconomic and political context within which political agendas are shaped and decision-making and actions are embedded. Third is *discursive power*, which points to how actors shape socio norms, values, and identities, and how these favour dominant interests (Lukes 2005). However, Gaventa (2006) adds an insightful angle to these forms of power, relevant to studies on environment and development. That is, "Luke's three forms of power must also be understood in relation to how spaces for engagement are created, and the levels of power (from local to global), in which they occur" (p25). Power analyses thus invokes narratives of scale – as "spatial, temporal quantitative or analytical dimensions used to measure and study any phenomenon – and levels – as "units of analysis that are located at different positions on a scale" (Cash et al. 2006, p8).

In this paper, we map research domains by jurisdictional and institutional scales to demonstrate how agribusiness power and influence takes place at different

levels, which relates to the guiding laws, regulations and operating rules around the sugar industry in Zambia (Cash et al. 2006). Domains are illustrative, selected to show different kinds of power, observed or perceived; the former inclined towards local-level dynamics (e.g. land, labour) while the latter towards national-level policy practices. Domains are *closed* when firms make decisions without broader consultation and involvement; *invited* when agribusinesses invite actors to participate; and *claimed/created (organic)* when the less powerful actors make sufficient pressure and claims on the powerful (Cornwall 2002; Gaventa 2006). Rather than disjointed and static, domains interact and so are the forms of power and influence. Each domain thus comes with its own power dynamics which links to multi-level analyses – local, regional and national levels.

The Zambia's sugar industry witnessed unprecedented growth and expansion particularly with the entry of Illovo Sugar Plc (Illovo), which took over and operates as Zambia Sugar Plc (ZaSPlc) (Section 3.1). In the sub-sector, competition for industry leadership and hegemony is visible, which, with supportive laws and regulations, creates barriers to entry (Kalinda and Chisanga 2014). Regional and local level domains show an agribusiness can exercise *power over* others for instance through shaping actions and thought processes of less powerful regional and local actors. *Power over* projects itself in agribusiness practices in regional development linkages and practices (embeddedness and participation in regional/local development plans); land tenure relations; and labour regimes (e.g. dynamics on employment) in outgrower schemes. Agribusinesses can also influence socio-political and economic agendas (hidden power), shaping meaning and what is acceptable about production and marketing (invisible power) (e.g. outgrowers and institutional arrangements) (Gaventa 2006).

National level domains reveal agribusinesses can exercise *power within* when they shape their sense of self-identity, confidence and awareness for actions. For instance, narratives around Vitamin A Fortification of sugar (Vit.AF), and how the public health policy has been justified, shaped and implemented enables agribusinesses to operate from a privileged angle, shaping industry

dynamics. *Power with* points to created collaborations and collective actions. These are observable decision-making (visible), projected to shape meaning and what is acceptable (invisible), or hidden such as in agenda setting (Gaventa 2006). For instance, donor-state-agribusiness collaborations around sugarcane outgrower schemes under the donor-driven Zambia National Sugar Adaptation Strategy (ZNSS) have been regional and around ZaSPlc, enabling corporate influence. Within this perspective, state agencies restrict the power of municipalities (e.g. on water and land) through hierarchical mechanisms, or where responsibilities of national state agencies conflict with lower ones (e.g. overlapping authorities), but maintaining agribusiness interests (Termeer et al. 2010). Agribusinesses can act to potentially affect policies, decisions and relationships that affect their interests (Cornwall 2002, p26). Closely linked are industry practices that shape sector strategies and policies including processes that underpin price formation and transmission. Agribusinesses can hold *power to* expressed in actor's capacity to act. For instance, through financial power and investment scope, agribusinesses sign Investment Promotion and Protection Agreements (IPPA) which protect their industry position and strengthen their influence.

These processes are by no means absolute but highlight interdependences between business and governments, which permits the former to enter crucial domains/spaces and influence the latter (Richardson 2010). Within such interdependences, agribusinesses may deploy diverse strategies to a countermovement at different levels including co-optation or closing spaces completely (West and Haug 2017). Some of these relate to financial and economic *power to* seen in production expansion and industry capabilities. Agribusiness collaborations around fortification and outgrower schemes reflect discursive power of image and reputation (e.g. reputation in micro-level credit relations, production, and track record), which links to market power such as in industry monopoly (e.g. purchasing arrangements; price setting) (*Power to*). In this paper, we explore local, regional and national domains to tease out perceptions of an agribusiness power and what this means for sustainable development.

3. Research Design and Methods

3.1 Setting

Dubbed the ‘sweetest town,’ and Zambia’s ‘Sugarbelt,’ Mazabuka district in southern province is one of Zambia’s hotspots for commercial agriculture particularly sugarcane (Sipangule and Lay 2015) (Figure 1). With a population of about 261,907 and at 74% poverty rate, the district is one of the poorest in Zambia (CSO 2010). Both customary and private landholding exist, the former being dominant among smallholders. Vast land and water resources as well optimal agronomical conditions make Mazabuka a target for agribusiness expansion particularly sugarcane (Palerm et al. 2010). The post-2000 has seen ZaSPIC enhance smallholder integration and expand land area under production through diverse production systems: estates, independent commercial farmers, outgrower companies, and outgrower schemes.

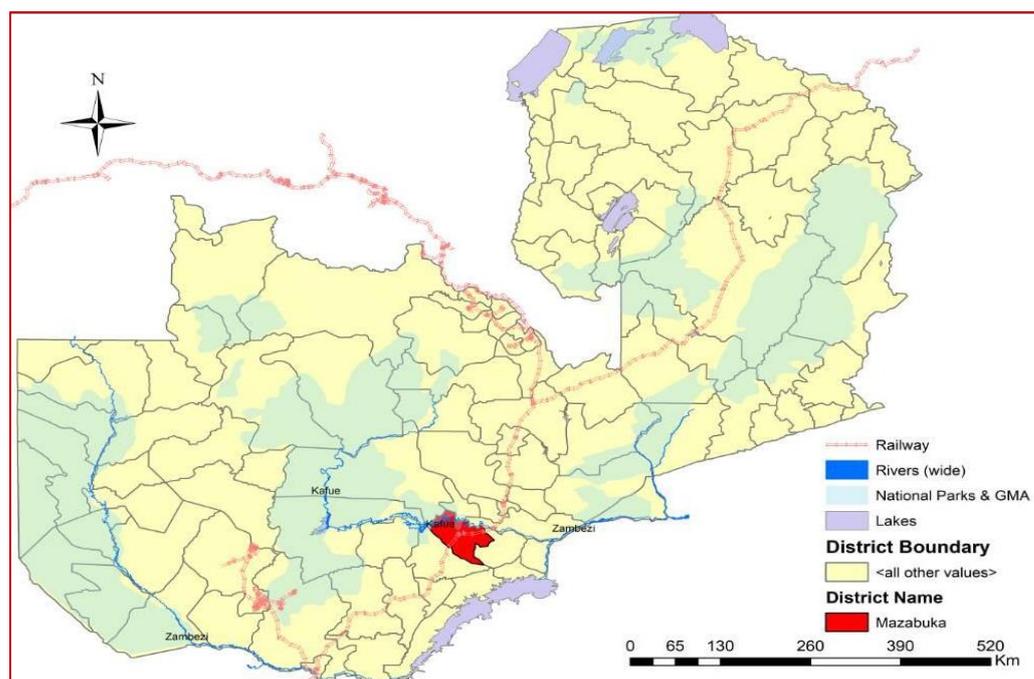


Figure 1: Map showing sugarbelt district of Mazabuka

In highlighting industry dominance, ZaSPIC produced 3,246,000; 3,154,000; and 3,417,172 tons of sugar compared to 260,000; 345,000; 305,000 tons for Kafue Sugar, the closest competitor (2013-2015). We focus in our study on three organisationally different smallholder outgrower schemes: Kaleya,

Magobbo and Manyonyo (Figure 2), to highlight how firms with outgrowers exert their power and influence across multiple levels to shape sustainability.

Kaleya smallholder scheme started in 1984 and operates via an integrated limited company (KASCOL), which provides extension services to farmers (e.g. input supply, managerial, marketing including harvesting, marketing, financial and commercial operations). Farmers directly cultivate sugarcane on average 7.5ha household plots whilst using an additional half-hectare for subsistence crop production. Cultivation of sugarcane utilises household labour and capabilities that ensure: land preparation and trash clearing, irrigation, removing smut-cane, weeding, fertiliser application including slashing and clearing canals and field edges. All land belongs to KASCOL, and as tenants, farmers run a 14-year renewable lease.

Magobbo is a block-farm, amalgamating land from 80 households. Commencing operations in 2008, Magobbo scheme leases the block-farm to ZaSPIC's subsidiary Nanga Farms Plc. Its formation responds to the European Commission's 60% financing agreement, with the balance being covered by ZaSPIC as farmer loans. Nanga Farms runs a centralised system that allows parties to conduct joint activities such as bulk supply of production materials. Production and commercial aspects are all controlled by Nanga Farms and farmers receive a share of profits made on their plots. Magobbo thus provides opportunities to explore a novel coordination scheme where farmers do not necessarily cultivate their land directly. That Nanga Farms ensures production and commercial services, labour dynamics point to wage employment and own subsistence production often away from the scheme.

Finally, Manyonyo started in 2009 and is a state project but co-funded by the Finnish government and the African Development Bank. Manyonyo is a clustered scheme with multiple crops under consideration (e.g. maize, bananas and other horticultural crops). Whereas farmers formed a farmer-based company (Manyonyo Irrigation Company), only sugarcane is currently grown. Challenges in funding enabled ZaSPIC to fund operational costs whilst shifting the focus to sugarcane. As with Magobbo, smallholders receive a share of the profits.

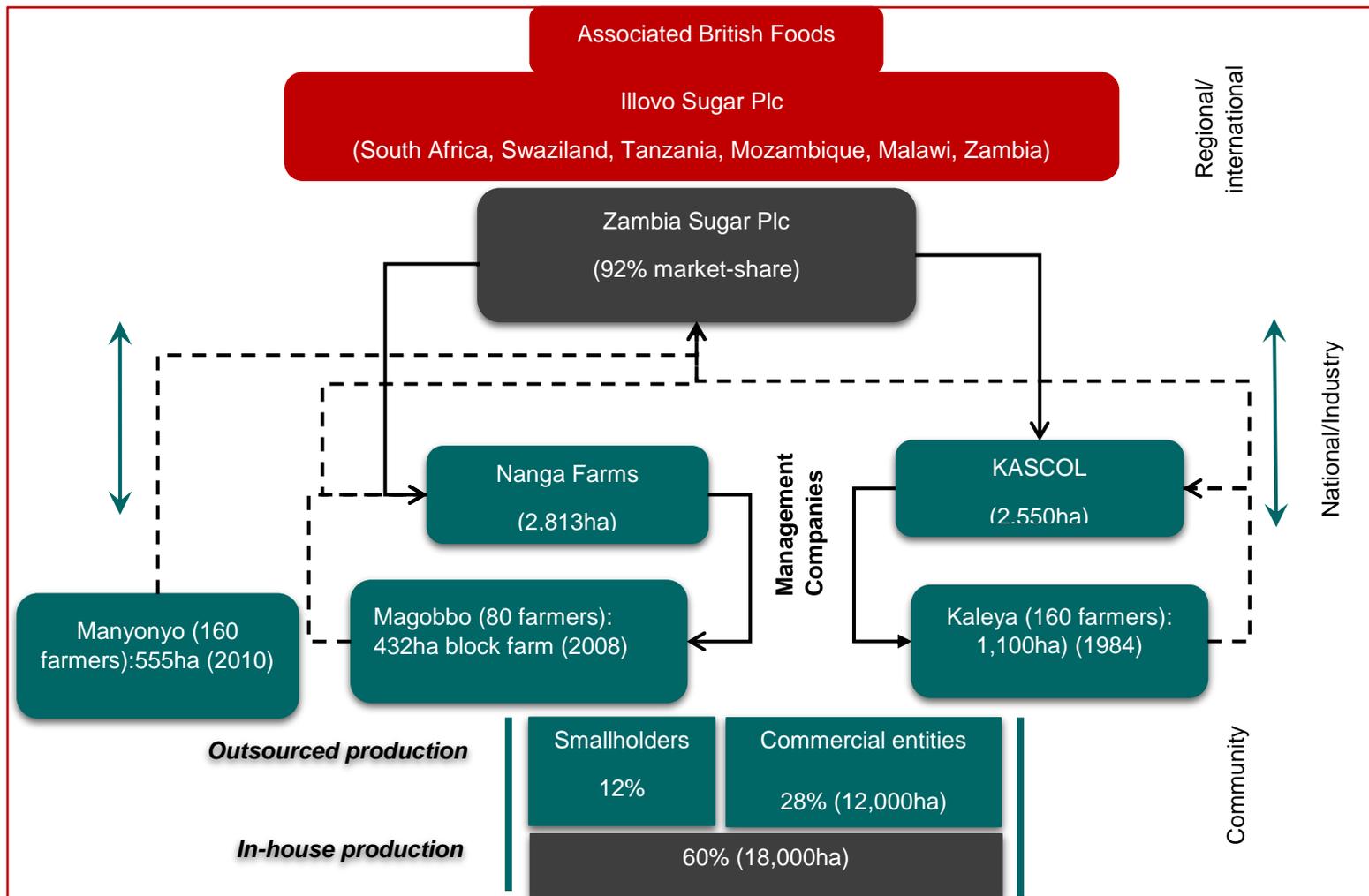


Figure 2: Structure of outgrower schemes

3.2 Data Collection

Data collection was shaped by our framework which utilises perception as evidence, measuring views and perceptions of an agribusiness power and influence in various domains. Perceptions are criticized as being subjective, motivated by individual agenda and that they fail to accurately represent outcomes or determine causality (Bennett 2016). Yet perceptions provide insights into agribusiness legitimacy and acceptability of their actions, how and why they act the way they do and implications for their actions. Perceptions also highlight how stakeholders experience an agribusiness with outgrower schemes (Bennett 2016).

Data is drawn from multi-level key informant interviews, in-depth household interviews, focus group discussions including detailed observations and field notes collected between June 2015 and February 2016¹. A scoping exercise identified key actors, determined priority issues and collected stakeholder views on key policies shaping LaSAls and sugarcane expansion. Key policies and strategies shaping the industry were identified on which we conducted a preliminary content analysis and then went further to elicit stakeholder views on the role and framing of an agribusiness.

Multi-level interviews were conducted with state, donor and NGO actors, private sugar consultants, firms and companies, and academics and research think-tanks to understand the structure and organisation of the sub-sector as well as perspectives surrounding the sugar industry ($n=37$). Interviews were complemented by policy analysis to identify drivers of sugarcane expansion and narratives of change in the industry including practices.

District interviews illuminated agribusiness practices and their impacts on local and wider development prospects ($n=15$). These also considered district-agribusiness relationships and what this means for prospects for regional development. Meanwhile a diverse group of participants at sub-district level were included to generate a cross section views on the agribusiness conduct and practices. These included government departments, input suppliers to the sugar industry and private actors (Table 1).

¹ See supplementary information for details of participants

Table 1: Summary data collection

National-level interviews	State departments/agencies, NGOs, Donors, academic and think-tanks etc		<i>n</i> =37
Industry related interviews	Sugar companies, processors and dealers		<i>n</i> =10
District-level interviews	Government departments, input suppliers, commercial actors and NGOs		<i>n</i> =15
<i>Sub-district data collection with diverse participants</i>			
	Kaleya	Magobbo	Manyonyo
Key informant interviews	8	8	1
In-depth household interviews	6	6	–
Focus group discussions	5	5	1
<i>Non-sugarcane/Contract participants (Magobbo)</i>			
Focus group discussion	–	1	–
Wider community interviews	3	3	3

Household interviews were conducted across different categories, taking an oral history style and linked to smallholder experiences. Focus group discussions were also conducted across gender, age, and farmer associations, concentrating on agribusiness practices, scheme governance and implications for industry participation. In terms of analysis, broad themes were developed from qualitative data manually and using software NVivo and subjected to thematic analysis linked to research objectives (Kumar 2005; Bazeley 2007). Policy analysis with an inductive approach enabled us to link policy elements to practice which was important in exploring agribusiness influence (Cole 1988).

4. Stakeholder Presence, Power and Influence in the Zambian Sugar Industry

The first objective explores key actors, and their influence in the sugar sub-sector. Our evaluation of the sugar industry started by identifying key actors/institutions shaping national and industry policies and practices. These were then linked to their relative size – in terms of estimated number (small, medium and large) of actors – in the industry as plotted in Figure 3. Whilst various institutions interplay to influence the sugar industry, analysis shows it is *state-donor-agribusiness* relations that dominate.

State institutions exert *power to* formulate national and industry policies, whilst promoting outgrower schemes. National bodies such as the Food and Nutrition Commission (NFNC), shape agribusiness/industry practices through controversial public health policies such as those on sugar fortification (Vit.AF). The Consumer Protection and Competition Commission (CPCC) regulate and shape market guidelines, explicitly accepting agribusinesses as private-sector development. Other institutions facilitate land acquisitions (Ministry of Lands, MoL) (Nolte 2014), promote agro-investments (Zambia Development Agency, ZDA), and regulate water-rights whilst fostering renewable energy (Ministry of Energy and Water Development, MoEWD). The ministry of agriculture (MoA) promotes commercial farming, whilst others facilitate trade and sugar related policies (Ministry of Commerce and Trade, MoCTI). Social and environmental sustainability aligns to the environmental management agency (ZEMA) which approves sugarcane projects but suffer political influence (Giles 2017).

Multilateral and bilateral development institutions provide technical and financial support (Palerm et al. 2010). However, through resources and infrastructure, donors hold *power to* shape policy as well as *power with* state institutions and agribusinesses to expand sugarcane production, integrating smallholders as growers (Palerm et al. 2010). While state-donor induced infrastructure enables smallholder integration, it entrenches agribusiness concentration.

Associations such as the National Farmers Union (ZNFU) influence sector labour politics (e.g. wages), policies (e.g. electricity tariffs, trade), production and market dynamics but their influence remains mixed. Local authorities intervene in land issues, with chiefs acting as key facilitators but are limited by state or agribusiness actors. Local and international NGOs that focus on welfare (CSPR), livelihoods (Oxfam), land rights (ZLA) as well as tax justice (ActionAid) also exert little industry influence, with efforts being more sectoral and less vigorously pursued (Phiri et al. 2015; ActionAid 2011). Similarly, household consumers are unable to engage the government/corporations such as on product quality and potential 'discriminatory and unfair pricing' (GRZ 2017). Industrial consumers in the FaBI exhibit *power within* to organise and influence sector dynamics (e.g. prices), but identify lack of competition as inhibiting their business potential (GRZ 2017, p1).

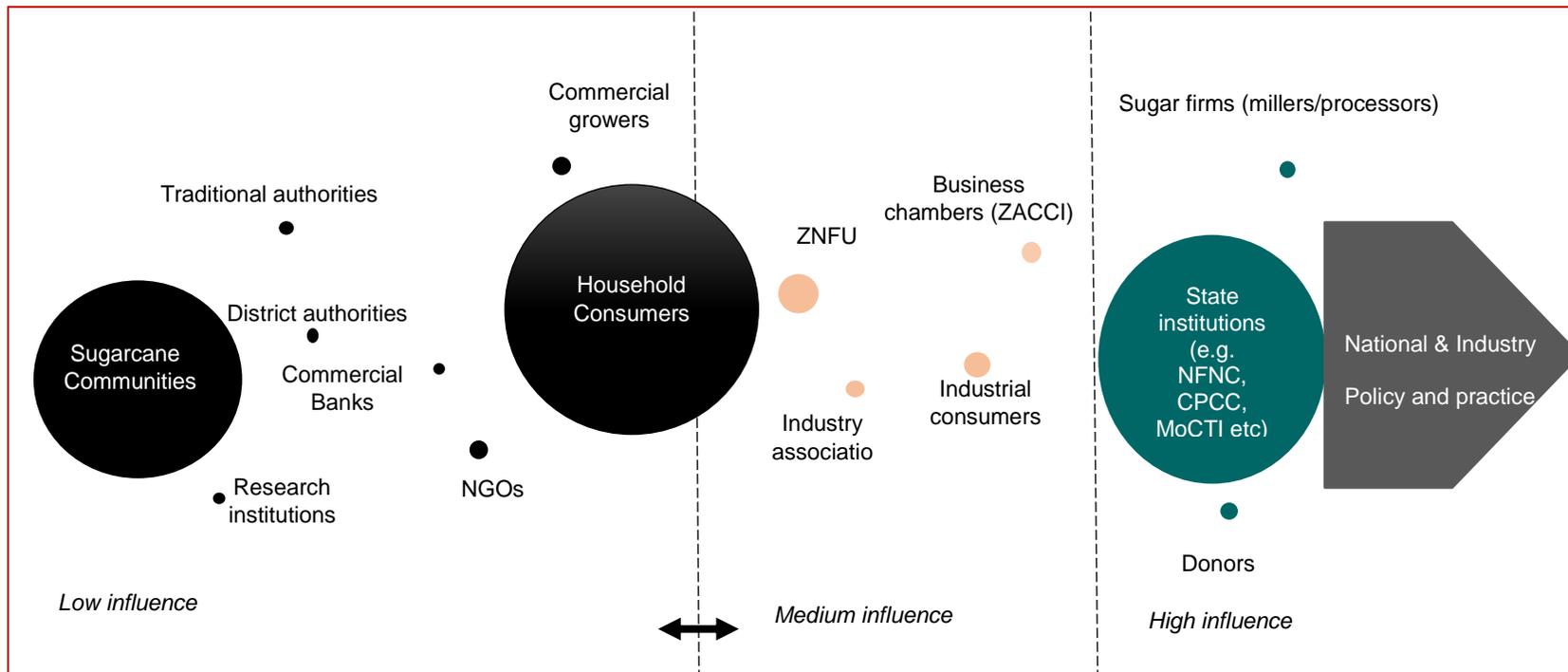


Figure 3: Actor influence in the sugar industry. Diameter of bubbles signify estimated number of actors/individuals involved in relation to others (as small, medium and large) (emerging from documentary analysis and perceptions of interviewees).

Overall analysis of interview data suggests that expanding state, donor and agribusiness influence limit spaces for broad-based stakeholder participation in the industry such as those in FaBI and advocacy groups. One FaBI actor expressed an opinion that *“the biggest problem is that ZaSPIC has no competitor at a large-scale,”* enabling it to *“establish a dictatorship line of doing business”* (P6:15.12.15). This was largely blamed on industry lack of competition, particularly *“government’s disinterest in inviting other players to enter the market”* and through *“granting significant incentives to ZaSPIC”* (Q4 :09.12.15). According to a Fellow at the Research-Tank IAPRI, the government has allowed *“different dynamics and authority in the sugar industry”* which at times *“seems to contradict its own policy on investment promotion and private-sector participation”* (G3:14.06.15). However, donor and state collaborations enable and sustain ZaSPIC’s expressions of power and influence in industry practices (Richardson 2010). State institutions were particularly accused of entrenching agribusiness interests. For instance, to our respondent at the Competition Commission, lack of wider industry participation at large-scale level was probably because *“the market is not conducive enough for other players to enter”* (Z10:18.12.15Z) enabling an agribusiness power and influence across multiple levels and domains as will be shown in the following sections.

5. Agribusiness ‘Power of Presence,’ Industry Practices and Sustainable Development

Objectives 2 and 3 focuses on local, regional and national levels, and related domains within which agribusiness power and influence are perceived. These were selected based on their ability to show *power to, power with, power over, and power within* as summarised in Table 2. As Table 2 shows, *power with* dominates an agribusiness power expression across all levels followed by *power to*, reflective of state-donor collaborations as well as corporate financial and economic power. However, intra-domain analyses show an agribusiness combines different forms of power to shape policy, regional and local dynamics.

Table 2: Domains and power dynamics (shaded boxes show emphasised power; blank boxes shows less emphasised/missing power)

Level	Domain/Space	<i>Power to</i>	<i>Power with</i>	<i>Power over</i>	<i>Power within</i>
Regional and local	Wider development linkages	Shaded	Shaded	Shaded	Blank
	Land tenure relations	Shaded	Shaded	Shaded	Blank
	Labour dynamics	Shaded	Shaded	Blank	Shaded
National level	Vitamin A Fortification of Sugar	Shaded	Shaded	Blank	Shaded
	Zambia National Sugar Adaptation Strategy	Shaded	Shaded	Shaded	Blank
	Concessions e.g. Investor Promotion and Protection Agreement	Shaded	Shaded	Blank	Blank
	Sugar price formation and transmission	Shaded	Shaded	Shaded	Shaded
	National labour regimes	Blank	Shaded	Shaded	Shaded

In what follows, we focus on specific domains to highlight agribusiness power expressions.

5.1 Regional and local-level analyses: agribusinesses, rural and economic development

The second objective focuses on regional and local level impacts of sugarcane expansion and how an agribusiness shapes and influences these processes. To demonstrate agribusiness *power over*, *power to*, and *power with*, regional and local analyses identified practices of an agribusiness in three domains: 1) wider development linkages, 2) land tenure relations, and 3) labour dynamics. We focus on these in the following sections.

a. Agribusinesses in Wider Development Linkages

Agribusinesses have been promoted for regional and local development in Zambia. A senior political representative believes ‘*Mazabuka is privileged to host the biggest agribusiness in the region*’ (D5:26.06.15),² which has been accompanied by an opening

² For brevity we show only the interview code and date

of business opportunities in banking, construction, hospitality and fast-foods industries. Related investments in social and economic infrastructure such as in energy, irrigation, health and education arguably *'enhance the socio-economic status of the district'* and contributed to poverty reduction (D6:26.06.2015). However, most public officers were critical, arguing the presence of ZaSPIC had changed the patterns of development in the district/region.

Interviews revealed a lack of cooperation and engagement between ZaSPIC and the district such as in development planning, infrastructure and social-service delivery. One area in which this was demonstrated is the Spatial Development Framework for the Mazabuka Urban Integrated Development Plan (IDP). Driven by the theme *Building Mazabuka Together*, the IDP was designed to guide present and future developments in the district. One officer in the Planning Department reported ZaSPIC was *'a key stakeholder in the development of the IDP, but became disinterested during implementation'* (D12:16.01.16). Instead, the company was seen to exert *power to* by generating its own development plans mostly within the estate, which to our respondent in the Planning Department, *'were incompatible with district sustainable development plans'* (D12:16.01.16). Planning Officers accused ZaSPIC of *'illegality in land development and planning within estates'* (D8:16.01.16) but blamed this on the agribusiness' *power with* in national political and economic connections seen as limiting and undermining local regulations.

Sugarcane expansion changed demographic dynamics of Mazabuka. The largest migrant group in the formal agricultural sector in Zambia are cane cutters from North-Western, Western and Southern provinces to Mazabuka (SDMa:12.06.16). This transitory workforce predominantly male was cited by the Planning Department as straining public infrastructure, housing and health services. The argument was that, *"seasonal workers stopped returning to their villages,"* and with financial packages from ZaSPIC *"are acquiring and developing illegal pieces of land"* which contributed to unplanned settlements (D12.16.01.16). However, a consistent theme across the district interviewees was that social service and infrastructure provisioning did not feature prominently in ZaSPIC's social activities. ZaSPIC provides education, housing and health services directly

to its employees on their estate, but *power to* and *power with* enables ZaSPIC to restrict these services to their estates despite calls to extend services wider areas (ActionAid 2011).

There were also concerns that the presence of an agribusiness undermined revenue generation in the local authority, highlighting *power over*. Municipal Council officers bemoaned lack of valuable service contracts such as those around warehousing, distribution and haulage as conduits for securing economic benefits but instead perceived a '*strong foreign business involvement*.' For instance, most warehousing and distribution on the one hand, and cane haulage on the other are reportedly conducted by Barlow World Logistics and Rolling Thunder respectively (Richardson 2010). Thus, many district officers believed ZaSPIC gave a false reputation about the district: '*that we receive a lot of money from the corporation*' (D8:26.06.2015).

Within district-business relations, others believed it was almost impossible for the local authority to explore revenue generating streams linked to the agribusiness because of continuous state intervention in local decisions such as around taxation. Respondents reported how state officials enter investment sites to make policy pronouncements and express their support for ZaSPIC. Respondents constantly referred to government decision to abolish crop-levy (2009), which cost the local authority an estimated \$400,000 annual cane levy from ZaSPIC (Richardson 2010, p929). According to the area Member of Parliament, this has led to serious '*erosion of financial capacity in the local authority*' (D2:11.06.16). The decision to scrap crop-levy is generally perceived to illustrate ZaSPIC's influence in national politics (*power with*), but also highlight governance gaps at local level. That the directive to scrap crop levy came when the then President Rupiah Banda officiated at the company's launch of Nakambala sugar estate in 2009 confirms perceived power with:

'I wish to assure South African investors...that their investment in Zambia is secure, safeguarded by the progressive politics and robust legal framework put in place by my government' (Chishimba and Mulenga 2009, cited in Richardson 2010, p928).

One political representative reflected that this meant that the agribusiness had many ways of achieving its objectives even at the expense of local capacity. Consequently, most district officers felt disempowered by state-business relations seen as undermining local authority not only on taxation but also on ability to intervene in estates/schemes such as on environmental regulation. This again highlights ZaSPIC's perceived influence as well as government's *'light touch'* approach to the sector, which allows policies to oscillate between imposing taxes and removing it, and between strict socio-economic and environmental rules to relaxing them, privileging the agribusiness.

b. Land and Tenure Relations

Land and tenure relations were selected to highlight agribusiness *power to* and *power over* in local domains including engagement with smallholders. Revenue Authority records reveal that 93% ($n=38$) of commercial entities producing sugarcane were based in Mazabuka, connecting to ZaSPIC. One outcome has been conversion of vast customary land from subsistence agriculture (e.g. maize, livestock) to commercial sugarcane under diverse land ownership and production arrangements. Consequently, *'90% of land in Mazabuka falls under commercial farming'* according to one agricultural officer (D13:16.01.16) and *'possibly titled'* (D2:11.06.16). Despite some political countermovement such as in the previous regime of Levy Mwanawasa that reportedly stopped ZaSPIC expansion through direct land acquisitions in the district,³ calling for enhanced local participation as outgrowers (D15:23.06.15), ZaSPIC recently incorporated 10,500ha sugarcane fields (2007) alongside a \$200 million factory expansion in 2009 (Richardson 2010). Some of this relate to international finance in outgrower initiatives (e.g. EU's Accompanying Measures for Sugar Protocol countries), enabling agribusiness *'power of presence.'*

However, that land belongs to farmers in *Manyonyo*, leased out in *Magobbo* and under a management company in *Kaleya* reflects diverse ways in which an agribusiness shapes production and control land. Corporate take-over of the Manyonyo scheme in 2012 for

³ The launch of the first ever Citizen Economic Empowerment Initiative in 2008 stems from a wide perceived failure of Zambians to benefit from foreign investments.

instance is symptomatic of the agribusiness power and influence in the district. We focus on this to demonstrate how financial power enables *power over* as well as how political connections help an agribusiness to consolidate land and shape production dynamics (*power with*). The idea of Manyonyo project started in 2000: with direct involvement of the Ministry of Agriculture's Smallholder Irrigation Project Unit. With the support of the Finnish government and the African Development Bank, scheme designs, layouts, and construction started in 2009. Manyonyo was originally "*open on choice of crops*" (e.g. maize, bananas, horticultural crops) but excluding sugarcane as confirmed by donor and state actors.

However, reports in the MoA reveal that "*ZaSPIC claimed the project fell in its expansion radius*" (50km east of the Nakambala mill) and suggested "*modification to the scheme design and layout*" (Z1:29.06.15). According to officials in the MoA, the government agreed to convert the scheme to sugarcane under an off-take agreement (*power with*), but leveraging smallholders in production decision-making. However, donors as well as officers in the MoA reveal that on linking the scheme to a commercial bank for possible financing of Manyonyo operations⁴, [ZaSPIC] changed its position arguing that "*the bank processes were delaying the project.*" Discussions with ZaSPIC representatives corroborate: "*the bank gave uncomfortable clauses such as on disbursement of funds*" and upon reviewing them, "*[we] thought these clauses could chain smallholders*" (ZaSPIC2:06.15) (*power to*). Group discussion with Manyonyo scheme representatives revealed how ZaSPIC undercut the bank's funding of ZMK13.5 million (595ha) and revised ZMK3.5 million (250ha) at 20% interest rate to offer ZMK1.5 million (126ha) at 14% loan through its brainchild Mazabuka Cane Growers Trust (MCGT) in 2014 (X3:27.06.15). These perspectives also play out among farmers in Manyonyo: "*if not for ZaSPIC, no single cane would have been grown in this project*" (X3:27.06.15) (*power over*). We return to this positive view of ZaSPIC later but suffice to say that this reflects the wider *power with* – of public image and reputation that ZaSPIC wants to entrench in political and economic circles as being pro-poor and smallholder driven which was then highlighted by the establishment of Smallholder Development office within the company (2014). ZaSPIC

⁴ There was a conditionality that donor resources could not be used on operational expenses (K1.18.06.15).

prided itself that whilst the idea of Manyonyo project started in 2002, it was within 2 years of its involvement that the project was operationalised/implemented. Analysis shows that the real value of these manoeuvres lies in exerting *power to/over/within* rather than genuine commitment to smallholder development.

Meanwhile ZaSPIC *power to and power over* through financial and market power was perceived across all schemes. In Kaleya, the MCGT financed 6.2% smallholder equity stake in KASCOL giving farmers a total of 19.5%. However, critically speaking, the real value of this financing lies less in being pro-smallholders than in shaping decision-making at the intermediary in favour of MCGT and thus ZaSPIC which already held 25% stake in the intermediary. Elsewhere in Magobbo, MCGT funded and facilitated farmer relocations as well as 20% initial development costs over 8-year recovery period which, according to one representative at MCGT *'are incomparable to bank lending rates'* (ZaSPIC3:06.15). There was a perception among district actors that these sorts of support acted to extend ZaSPIC's power and influence. For instance, this way ZaSPIC was perceived to deflect wider 'land grabbing' narratives despite exerting central management of production that are characteristic of plantations that ensures corporate land consolidation (Power within) (Box 2).

Box 2: Illovo and the Public face of Smallholders Sugar sourcing in Southern Africa

Oxfam's 'Behind the Brands Campaign' has witnessed commitments from global corporations such as PepsiCo and Coca-cola to 'zero tolerance' for land grabs in their sugar sourcing (Oxfam 2013). Suppliers such as Illovo Sugar have made similar commitments with respects to smallholders and land rights. Illovo published its own guidelines and road-map on land and land rights with reference to sustainable farming practices and land acquisition within its supply chain. 'Illovo prioritises alternative model investments, such as the development of smallholder grower farming operations in areas in which we operate, rather than acquiring their land for our own development' it says (Illovo 2016). Illovo is now considered a 'champion' on 'just sugar sourcing' (Oxfam 2016).

In response to land-grabbing concerns such as from advocacy groups, a quote from the ZaSPIC representative is illustrative of *power within*: "*here we don't have land-grabs. We*

actually look for land in order to benefit local people” (ZaSPIC2:16.06.15). However, whilst there is no technical “land-grabs” in Mazabuka, Illovo manages to control vast swathes of land, and through employing different management systems limit the uptake and participation, choice and opportunities for farmers (*power over*) (Richardson 2010).

c. Labour Dynamics

In LaSAIs, the connection between labour regimes and economic benefits are strong. Selection of labour dynamics enabled analyses of agribusiness *power to* and *power within* in local level labour regimes. A widely held public image about ZaSPIC in Zambia is that the number of people employed by ZaSPIC provided not only a good example of how an agribusiness should interface with local economies but also represented the biggest contribution to the national economy. However, we show how the agribusiness exerts *power to* through uses economic power and *power within* through its image and reputation as larger employer to shape as well as undermine labour regimes. Frequently quoted figures show that the sugar industry engages over 11,000 people directly and 75,000 indirectly, most which are associated with ZaSPIC (Palerm et al. 2010, p1) (Figure 4). The importance of job creation cannot be undermined politically, as the government is clear: *‘we don’t want to shake these companies providing employment’* (Z1:09.12.15). Some NGOs believe that this narrative raised challenges for agribusinesses regulation whilst others expressed opinions that policy positions on rural employment and the need to garner political support from an opposition dominated southern region offers opportunities for ZaSPIC to exert influence.

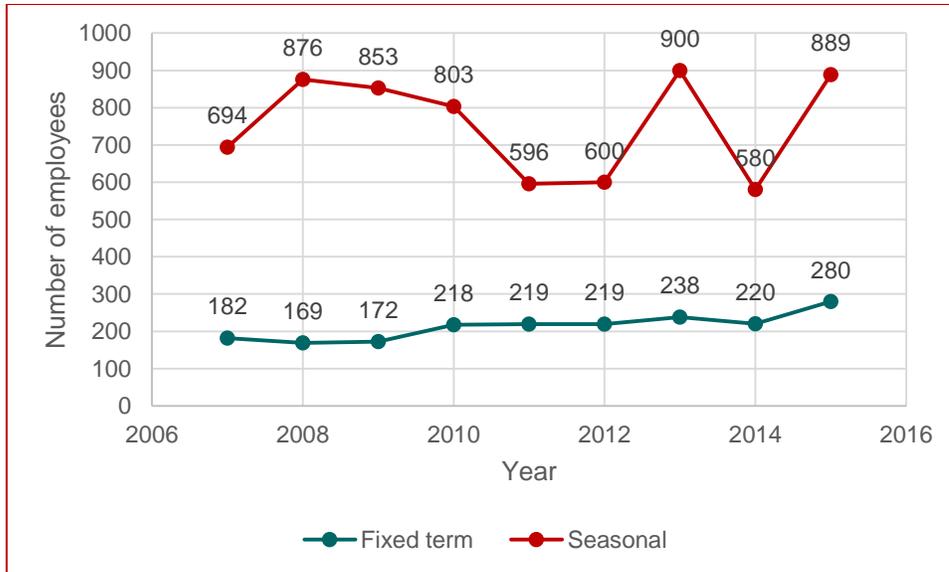


Figure 4: Fixed-term and seasonal employment trends in Nanga Farms

Tight control over production systems permits ZaSPIC to influence diverse labour regimes in Mazabuka. Financial and economic dominance in production enables ZaSPIC to deploy skilled expatriate staff whilst exploiting unskilled labour and limiting smallholder uptake in schemes (power to), as corroborated by Richardson (2010). This dualism means that despite the much publicised job creation, labour intensity of sugarcane is low. One donor representative at the ADB illustrated that “\$16 million spent on 165 farmers in Manyonyo could informally engage around 200,00 farmers in the cotton sector” (K2:18.06.15). However, according to one independent consultant, ZaSPIC has always argued that “*what they don’t meet through direct formal engagement of smallholders is off-set through massive recruitment of workers*” (P2:15.06.15). At issue, however, is that many of these sugar related jobs are seasonal (Figure 3), depressing gross disbursement of wages more so in outgrower systems where we find that wages were reduced by a factor of three, when compared to ZaSPIC’s own plantations.

5.2 Policy Practices and Agribusiness Influence

The final objective focuses on key national-level policies shaping the sugar industry, and how these processes have been framed to deepen an agribusiness power and influence. Analysis isolates *five domains* where policies and practices in sugarcane expansion plays out to enhance different sorts of agribusiness power more widely.

First is ZaSPIC perceived policy influence around vitamin A fortification of sugar (VitAF). All domestic or imported sugar for direct consumption in Zambia require mandatory fortification with vitamin A. Interestingly, VitAF has been coordinated by the Food and Nutrition Commission (NFNC) under the Ministry of Health. Frequently quoted figures cite Vitamin A deficiencies (xerophthalmia) of over 65% and 53% among children and women respectively as driver to VitAF (Z13:23.18.16). Despite low sugar access by majority Zambians (40% by late 1990s and about 60% in 2007) (Z13:23.18.16), VitAF continues to shape sugar politics in Zambia.

The NFNC confirmed that the capacity and dominance of ZaSPIC in the industry (*power to*) gave the agribusiness an advantage over original vehicles such as maize meal. A senior officer at the NFNC explained how using a production capacity of over 250,000 MT (1998), *'ZaSPIC convinced stakeholders of its capabilities to satisfy the domestic market and in order to receive state/donor support'* (Z13:18.12.15). In immediately establishing itself in the VitAF and public health concerns, collaborations with international finance such as UNICEF and the Global Alliance enabled ZaSPIC *power with* in subsidizing/facilitating fortification through equipment and other concessions.

However, a widely held view among respondents was that VitAF is effectively a non-tariff barrier on sugar imports which limits entry of new investors (*power with*). To some actors in the FaBI, *power with* effectively *'locks the market for Illovo'* (P4:15.12.15). According to one Consultant, that ZaSPIC contributes *'only 10% of total production of Illovo against 30-40% net profit of the group'* (P1:05.01.16) (Illovo 2016) is illustrative of how donor-state collaborations enable ZaSPIC exploit the domestic market. One key feature is that there has been a striking failure to stimulate investments beyond ZaSPIC. Discussions with sugarcane companies and private consultants reveal how prospective investments in different parts of the country failed to take-off for various reasons. However, interviewees implied that a deliberate failure by government to enhance competition, and intra-sector diversity (e.g. financial support to outgrowers elsewhere beyond ZaSPIC) reflected agribusiness *power with*. Limited investments in the sector have thus been blamed on ZaSPIC's *power with* seen as discouraging new investments (Richardson 2010).

The links between Vit.AF and sugar import rules and guidelines imposed by various state departments and supported by ZaSPIC which calls for strict application of Vit.AF rules (*power with*) are strong. For instance, flexing its industry presence within the politics of VitAF, an NGO representative explained how ZaSPIC called for '*rigorous scrutiny of emerging sugar processors*,' accusing them of failing to comply with packaging, labelling, quality and testing guidelines (*power over*) (Q4:09.12.15). Through such influence, ZaSPIC was seen to coerce the government to renege on possible industry reforms (Richardson 2010).⁵ State agencies insist on import permits from the MoA and elsewhere, entrenching ZaSPIC's industry position and limiting industry competition (GRZ 2017; Ellis et al. 2012). Whereas inability to allow imports is seen by many as protecting the local market, state failure to promote competitiveness in the sector is pointed to ZaSPIC's *power with* (Richardson 2010). Some policy actors in the MoA corroborate: '*agribusinesses lack transparency and wield too much power*' (Z1:29.06.15). Meanwhile, the FaBI actors as well as processors argue that whilst the public health objectives of Vit.AF are noble, processes have hindered market growth and industry competition. Think-tanks, FaBI and NGO actors expressed concerns that the recently revised Food and Drugs Act (1994) which maintains fortification shows that '*reforms in favour of VitAF will continue to shape the dynamics of sugar*' (G2:18.12.15) and so will the *presence* of ZaSPIC. Overall, it seems that the real value of VitAF lies less in the public health priorities than in shaping the industry towards the dominant agribusiness – ZaSPIC – and thus *power with*.

The *second* domain is the donor-driven formulation of the Zambia National Sugar Adaptation Strategy (ZNSS). The ZNSS responds to trade policy shifts in the European Union that departs from fixed regulations and price management in sugar markets to building partnerships and private sector development, considered the primary means for governing traditional export sectors in developing countries (Orbie 2007). In this transition, the European Commission offered financial assistance to developing countries for trade capacity (CEC 2012). Known as the Accompanying Measures for Sugar Protocols

⁵ For a long period of time FaBI and NGO actors have called for abolishing Vit.AF alongside calls to allow sugar imports. They have also called for deliberate policy action to encourage more agribusiness investments in the industry as well as limit state involvement in the industry for competition and market growth (Ellis et al. 2010).

Countries (AMSP), the centrality of this “aid for trade initiative” points to enhancing sugar industry competitiveness, diversifying the economies of cane growing areas and addressing wider impacts of the reforms in adjusting countries (Richardson and Richardson-Ngwenya 2014). In response, recipient countries (African, Caribbean and Pacific – ACP bloc) have formulated national adaptation strategies.

The Zambia National Sugar Strategy is one major specific measure for promoting sugarcane. Formulated in 2006, the ZNSS prioritised sugar expansion through: 1) outgrower schemes; 2) sugar diversification; 3) infrastructure; and 4) the development of a national sugar trade policy (Palerm et al. 2010). As with other interventions (e.g. Vit.AF), the implementation of the ZNSS revolved around ZaSPIC, with the government and donors lauding the resulting integration of smallholder outgrower schemes, bioethanol production and infrastructure development. That smallholder integration points to Magobbo and/or Manayonyo schemes means the ZNSS inserted ZaSPIC directly into state-donor programs (*power with*). Again, using scale, capacity and financial power, ZaSPIC positioned itself to play a crucial role in actualising state-donor policy developments including guaranteeing their funds in the development of outgrower schemes which further plays to its image and reputation (*Power to*) (Palerm et al. 2010). Consequently, ZaSPIC effectively brought additional 1000ha under direct production and control within two years. However, analysis shows that a macro focus in the ZNSS neglected environmental issues. That donors and the government belatedly conducted a Strategic Environmental Assessment for sugarcane expansion – 4 years after the ZNSS – confirms these concerns (Palerm et al. 2010). Crucially, whilst the ZNSS expands scope for production in Mazabuka and around ZaSPIC, the SEA warns about serious water availability challenges stemming from competing uses: power generation, agriculture, mining and urban consumption in the main ‘sugarbelt’ Kafue River. However, a neglect in environmental regulation by the local authority highlight ZaSPIC *power over* in regional/local authority.

Third, is a widely held perception that ZaSPIC deploys power to and power with through financial and economic opportunities to exploit the domestic market through access to concessions, including influence on trade policy rules that govern sugar imports. Prior to its historic factory expansion investment, ZaSPIC signed an Investor Promotion and

Protection Agreement Act (IPPA), which interviewees believed effectively granted the agribusiness three advantages. First, was guaranteeing its investments in Zambia. Second was significantly depressing its import bill such as on machinery whilst helping access cheap finance. Third and most importantly was compelling the government to treat sugar as a *'sensitive and priority product within policy guidelines'* (Mataka 2008 cited in Richardson 2010, p929). With effective state bias towards foreign businesses and that only multi-million-dollar projects qualify for IPPAs, ZaSPIC's economic power is perceived to play a crucial role in accessing concessions and shaping industry dynamics as corroborated by Richardson (2010).

Fourth relates to agribusiness power in sugar price transmission, with actors in the FaBI perceiving ZaSPIC's *power over* in price dynamics. Zambia is low cost sugar producing country, averaging US\$169/tonne compared to US\$263/tonne world average (Ellis et al. 2010). However, sugar prices remain high regionally and globally. FaBI actors who command 24% of the overall 41% domestic sales gave examples of how ZaSPIC increased sugar prices five times (oscillating between 7% and 14%) in 2014, whilst 2015 saw increases of 12.5% and 17%, sparking negative reaction among industrial consumers. In response, industrial consumers complained to the Competition Commission (CPCC) calling for reduction in prices to world market levels alongside a 10% surcharge to cover local conditions or allow sugar imports (Chisanga et al. 2014, p7) (Box 1).

However, interviewees argued that rather than addressing concerns through a wider stakeholder consultation and representation from FaBI, 'the MoA and ZaSPIC met and later sent adjusted prices' (*power with*) (P5:15.12.15). Once again, a general perception was that this highlighted not only the way decisions were being made in the industry and how ZaSPIC shaped competition (*power to*) but also how absence of government action on market issues entrenched agribusiness influence in national politics (*power with*).

Box 1: ZaSPIC and the Politics of Sugar Pricing in Zambia

In 2017, the CPCC fined ZaSPIC 5% (ZMK76,728,650) of 2013 annual turnover for 'price discrimination and unfair pricing' (GRZ 2017). In a landmark 4-year investigation, the commission reports that one category of industrial consumers were charged 22% more than others and that household consumers paid 28% more than the former also paying 41% higher compared to regional/export consumers. To one NGO representative, *'this fine is long overdue...and she hoped 'this will unlock the market to encourage competition'* (Q6:25.10.17). However, other NGO representatives were sceptical that concrete demands for ZaSPIC to immediately effect new price structure are missing, and that *'it all depends on how ZaSPIC reacts'* adding: *'there are lessons to be learnt on how agribusinesses commit injustices with impunity'* (Q7:26.10.2017).

The *final* domain reflects the way labour issues play-out at national policy level (Section 5.3) to highlight *power within*. National policies have allowed reduced minimum wages for the agricultural and sugar industry in Zambia. National interviews reveal how inadequate regulation and rules that permit ZaSPIC and strong lobby groups to negotiate and influence discounted sector minimum wages contribute to poor labour conditions at local level (Section 5.3). A senior economist at the largest national farmers union (ZNFU) explained that the combination of seasonal, long and short-term labour engagements make agriculture unique, and that the sensitivity of the sector means *"we cannot put anyone on a minimum wage"* (N1:04.12.15). That the Ministry of Labour *"has allowed this arrangement to continue"* means that *"for now we are not affected by the labour legislation"* he added. Thus, sector-based approach to wages and conditions of services for farm workers have been adopted such as such as with the National Union for Plantation, Agricultural and Allied Workers (NUPAAW) in sugarcane as corroborated by an officer at Nanga Farms (SDM2:20.01.16). Given the dominance of ZaSPIC, many respondents perceive the influence of ZaSPIC in sugarcane-specific wages and conditions of service (*power with*). Not only that, *power within* projected through the powerful image and reputation as the largest employer that puts ZaSPIC in good terms with national politics further enables it to exert influence on sector labour dynamics. While discounted sector-specific wages suggest a neglect of labour legislation, it also reflects the economic

power wielded by the agribusiness as well as limits of state power in state-business relationships.

Within the labour perspective, there have been concerns that state institutions face challenges of how to enforce tax and labour laws. District officials reported ‘casualisation’ of labour and also poor health and safety standards in sugarcane, which they blamed on weak frameworks for monitoring agricultural conditions on plantations/estates. Some of these relate to inability of local actors to enter production sites to assess adherence to agriculture and sustainability guidelines. According to one agricultural officer, *‘[t]here is politics involved in sugarcane. As civil servants, we have stepped back lest we get accused of supporting an [opposition] political party’* highlighting *power over* (D13:16.01.16). Analyses reveal that this way agro-investments contributed to the informality of the sector and continued absence of social security. Moreover, there have been complaints about alienation of local authorities in the business of sugarcane and general lack of embeddedness in the regional economy that potentially produces regulatory blind spots (*power over*).

6. Governance Dynamics and Deepening Agribusiness Power of Presence

This paper highlights domains of how an agribusiness uses its power within jurisdictional scale to shape sustainability in policy and industry practices in Zambia. We show how various actors shape national and industry dynamics of sugarcane but that state-donors-agribusiness relations dominate. Through a combination of different sorts of power interplay, an agribusiness exerts control over the governance dynamics of an agro-industry chain, whilst limiting its social and economic contributions including uptake of stakeholders. One outcome is that possibilities of sustainable agriculture, rural and economic development have been undermined by actual agribusiness practices as exemplified in local-level domains. By identifying different domains, using multi-level and multi-actor analysis around the sugar industry, domestic institutions can design and implement interventions mediating agribusiness practices and behaviour, which would enable a greater focus on sustainable agriculture and rural development.

The push for agribusiness in Africa remains central in international policy such as the global agenda for SDGs, but this drive ignores the role of agribusinesses in jurisdictions they operate. Gaventa's power framework enables analyses of agribusiness power between and within various levels and domains. Agribusiness, donors and state actors shape mechanisms that underpin transformations in agriculture, but also raise governance issues (German et al. 2016). Agribusinesses deploy their power of presence to influence policy management around sugarcane expansion, acting as key facilitators of government/donor projects through their willingness to incorporate smallholders (Richardson and Richardson-Ngwenya 2014). However, this *power with* is problematic for genuine stakeholder participation, national and local development, as highlighted in multi-level interaction of actors and sub-national domains. For instance, control in land tenure relations as well as labour regimes means resource-bearing communities remain peripheral in key production decisions, affecting local economic benefits.

As discussed in national domains, agribusinesses influence policy management, and institutional arrangements, challenging simplistic inclusionary narratives at sub-national levels (Vicol 2017). Dominance in production accompanied by tight control over land and water as well as market channels highlight regional and local level power. While exploiting the publicly articulated focus on smallholders, in practice ZaSPIC actually limit wider uptake of growers as can be seen in its continued dominance in primary agriculture in local domains (Richardson 2010). Even where these have been integrated, different production systems split smallholders, affecting local mobilization and cooperation. This increasingly facilitates physical and economic exclusion of smallholders both from agriculture and land (Peluso and Lund 2011). Sustainable local development must thus be viewed in the context of how practices induce land concentration among powerful agribusinesses and limit smallholder uptake (Elgert 2016).

Policies and priorities for promoting sugarcane produce an opposite effect, privileging an agribusiness at the expense of smallholder systems of agriculture as highlighted in national domains. For instance, the push for Vit.AF and around an agribusiness reflect corporate power, enabling power of presence (Clapp and Scrinis 2017), whilst national policies adversely constrain local policies and practices, such as regulation and outgrower

scheme governance. While donor and state infrastructure create opportunities for smallholder integration and for possible poverty reduction, this support contributes to an emerging agribusiness concentration by channeling support towards the dominant firm (Spann 2017). Agribusiness and sugar promotion in national policies conceal silent realities of industrial agriculture as high user of water, agro-chemicals and land, which undermines sustainability claims (Leguizamón 2016). Weak interaction between and among high-level national institutions and those at the local government level, highlight governance challenges in the latter, e.g. accountability, power, responsibilities, decision-making.

Global debates around *'just sugar sourcing'* or *'sustainable commodities'* increasingly deflect attention from agribusiness practices in countries that view LaSAIs as magic bullet for local development (Elgert 2016). In our case, regulation and monitoring failures from local authorities present opportunities for unsustainable agribusiness practices (Giles 2017). A key governance challenge is the mandate of regional and local authorities to engage with agribusinesses particularly because of lack of embeddedness of an agribusiness in socio-economic spheres. The way the agribusiness operates, oscillating between national and local level domains of power means that local authorities are merely spectators of developments in the sugar sub-sector and in Mazabuka. They are almost completely excluded from policy and institutional formulation, implementation and monitoring in the sugar sub-sector. Drawing from mono-governance perspectives, the role of the local authority is unclear (see Van Alstine 2014 with reference to Uganda extractives). Our case shows how the power framework illuminate scalar/governance mismatches, and the need for institutional arrangements to account for multi-level and multi-actor interactions which shape outcomes.

There are clear mismatches between realities at local level and what national actors believe is the way to manage agribusinesses and LaSAIs. But this lacks salience, credibility, and legitimacy in the eyes of critical players at regional and local level (Cash et al. 2003). As Cash et al (2006) notes, framing issues at national level points to the need to both simplify and control, privileging agribusinesses. Powerful corporations in agriculture thus present difficulties for Zambia to leverage socio-economic and

environmental benefits. Some of this relate to lack of agribusiness social and economic embeddedness in the local economy, as discussed in regional/local domains (Hall et al. 2017). Although some officials were excited by the presence of an agribusiness in the district, their ability to regulate the company was limited by an overlap in authority between national and local actors. District officials especially civil servants spoke of the difficulty in monitoring and regulating the agribusiness activities, alongside national-level political involvement. There is little evidence that the local authority was acknowledged as a monitoring and regulatory structure by ZaSPIC. More widely, sugarcane issues, information sharing and decision-making processes are highly centralized, with the district level of governance often bypassed. As elsewhere (Van Alstine et al. 2014), lack of local government involvement and increased government control means that authority is being implicitly (or even explicitly) transferred to foreign agribusinesses operating in the sector.

7. Conclusion

This paper highlights various domains of how an agribusiness uses its power within jurisdictional scale to shape sustainability in policy and industry practices in Zambia. We have assessed how state and non-state actors interact to shape domains underpinning agribusiness expression of power. One key governance gap identified from analyses of multi-level interactions and multi-level actors is weak regional and local government capacity. Governance gaps and limited capacity to monitor, regulate and influence an agribusiness were identified in three domains: agribusinesses embeddedness (or lack of it) in wider development processes; land tenure relations; labour regimes and practices. However, regional and local-level practices reflect mono-centric governance perspectives which exerts state power and authority over regional and local economies as well as industry policy. This feature not only enables an agribusiness to oscillate between national, regional, and local levels but also permits enormous influence within the national scales, as exemplified in five domains: public health policy on VitAF; the donor-driven Zambia National Sugar Adaptation Strategy; access to investor concessions; sugar price formation and transmission; and national labour policy regimes. Through a combination of different sorts of power interplay, an agribusiness exerts control over the governance dynamics of an agro-industry chain, whilst limiting its social and economic contributions

including uptake of stakeholders. One outcome is that proclaimed possibilities of sustainable agriculture, rural and economic development proclaimed in international policy have been undermined by actual agribusiness practices as exemplified in local-level domains. However, by identifying different domains around the sugar industry, domestic institutions can design and implement interventions mediating agribusiness practices and behaviour, which would enable a greater focus on sustainable agriculture and rural development.

Analysis provides insights into the centrality of relationships between and among agribusinesses and development actors in determining realities and prospects for sustainable development including industry-specific practices within which smallholders are implicated. Findings of this study enables us to reflect on the limits of what national and local institutions can achieve with regards sustainability and sets us to think about how we can enable a greater focus on sustainability at different governance scales and levels. Sugar related issues have been framed at national level through policy practices, but weak interactions with local-level authorities produce crucial mismatches. Agribusiness expansion as pathway for delivering sustainable development is consequently problematic for agriculture, local development as well as sustainability. Top-down nature of sugarcane promotion and expansion, control over land and water resources raises problematic socio-economic and ecological contradictions associated with LaSAIs.

It is possible that agribusinesses could power the agenda for sustainable development and poverty reduction. However, the commitment to agribusinesses as silver bullet for sustainable agriculture and rural development stifles the way national politics frame industries, which limits both expansion and prospects for economic development. Sustainable development outcomes and agro-practices should not be defined only by powerful agribusinesses and prioritise business imperatives above all standards. It was clear that sustainability issues are not being directly addressed by national, regional or local actors. Rather than advance unsustainable industry practices, incentive schemes are required to encourage greater focus on sustainability within investment activities. Relationship between business and development should centrally lie in how attitudes can

be changed and practices be made inclusive of domestic actors. Greater collaborations among domestic actors could shed more light on the industry dynamics and compel businesses to adopt public development priorities. Partnering processes that connect different multi-level governance institutions are also important.

Overall, our use of the concept 'power of presence' is novel in that it helps unpack levels and domains throughout an agro-industry chain within which agribusiness power unfolds. In so doing, the paper helps to extend the existing literature on power dimensions of LaSAIs and agribusinesses, by bringing national processes that shape investment outcomes and raising questions for future research (Rutten et al. 2017; Fairbairn 2013; Burnod et al. 2013). Our discussion of agribusiness power of presence shows contested agro-industry chain characterised by different sorts of power across all levels, enabling agribusiness control and influence. Our analysis suggests that despite claims that LaSAIs can be inclusive and account for local realities (Deininger et al. 2011), regional and local participation is lacking. It shows that analyses that examine power dynamics within policy and industry practices enables us to reflect on the limits of what national and local institutions can achieve with regards sustainability. Most importantly, the study highlights the need to examine the industry structure under which diverse actors operate and the power dynamics that shape actions and determine outcomes. This paper has identified how the much-promulgated agriculture for development discourse and focus on agribusiness actors entrenches power of presence whilst concealing ecological and social contradictions related to LaSAIs. These findings are context specific but raise promising questions for further research. The fragmented governance of agribusinesses and LaSAIs in general challenges simplistic claims around the role of agriculture in international and regional policy management.

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Supplementary Information

Appendix 1: Interviews June 2015 – February 2016.⁶

Interview codes: Z = public institutions; G=research institutions; P=private-sector experts; Q=NGOs; N=farmer organisations; K=donors; and D=district/sub-district.

Code	Interviewee/Position	Institution	Date	Place
Ministries, Departments and Agencies				
Z1	Snr. Official – Smallholder Irrigation Strategy	Ministry of Agriculture	29.06.15	Lusaka
Z2	Snr. Policy Analyst		04.01.16	
Z3	National Irrigation Coordinator			
Z4	Snr. Lands Officer	Ministry of Lands	15.12.15	
Z5	Officer	Ministry of Energy and Water Development (WARMA)	07.01.16	
Z6	Director (Non-Mining Unit) –	Zambia Revenue Authority	22.12.15	
	Snr. Inspector			
Z7	Investment Officer	Zambia Development Agency	16.16.15	
Z8	Policy Analyst		16.06.15	
Z9	Snr. Officer	Ministry of Commerce, Trade and Industry	11.2015	
Z10	a. Research Analyst	Consumer Protection and Competition Commission	18.12.15	
	b. Chief Investigator			
Z11	Snr. Inspector	Zambia Environmental Management Agency	14.12.15	
Z12	Engineer	Ministry of Energy and Water Development (WARMA)	12.01.16	
Z13	Director	National Food and Nutrition Commission	18.12.16	
Research think-tanks/institutions				
G1	Officer	Centre for Trade Policy and Development	08.01.16	Lusaka
G2	Research Fellow	IAPRI	18.12.15	
G3	Research Fellow	IAPRI	14.06.15	
G4	Professor in Agriculture and Economics	University of Zambia	15.06.15	
Private agricultural experts/consultants				
P1	Agriculture/Sugar Expert	AnChiCon	05.01.16	Lusaka
P2	CEO and Value Chain Expert	Nutri-Aid Zambia	15.06.15	
P3	Ashraf Bhaiyat	Sugar Distributor	15.12.15	
P4	Senior Director	Trade Kings	15.12.15	
P5	Chief Engineer	California Beverages	15.12.15	
P6	Financial Officer	Musa Biscuits	15.12.15	
International/national NGOs				

⁶ Respondent's names are concealed to guarantee anonymity.

Code	Interviewee/Position	Institution	Date	Place
Q1	Program Officer	ActionAid	21.12.15	Lusaka
Q2	Program Coordinator	Oxfam	05.01.16	
Q3	Program Officer	Zambia Land Alliance	10.05.16	
Q4	Program Officer	CUTS International Zambia	09.12.15	
Q5	Executive Director	Civil Society for Poverty Reduction	07.01.16	
Q6	Centre Coordinator	CUTS International Zambia	25.10.17	Email
Q7	Program Officer	ActionAid	25.10.17	
Farmer-based national bodies/organisations				
N1	Monitoring and Evaluation Officer	Zambia National Farmers Union	04.12.15	
N2	Program Officer		04.12.15	
N3	Economist		15.12.15.	
N4	Environmental Stewardship Specialists	MUSIKA	10.12.15	
Multilateral/bilateral institutions/donors				
K1	Official – Agriculture	Finnish Embassy.	18.06.15	Lusaka
K2	Agricultural Expert	Africa Development Bank	18.06.15	
K3	Agricultural Specialist	World Bank	16.12.15	
K4	Official – Agriculture	European Union Zambia Office	10.12.15	
District/sub-district				
	Position/Institution		Date	Place
D1	District Agricultural Officer		14.11.15	Zimba
D2	Parliamentarian		11.06.16	Mazabuka
D3	Chief*a		27.11.16	
D4	Chief*b			
D5	District Commissioner *a		08.01.16	
D6	District Commissioner*b		26.06.15	
D7	Snr. Council Officer, Municipal Council		12.15	
D8	District Officer, Community Development		26.06.15	
D9	District Officer, Ministry of Chiefs and Traditional Affairs		27.11.16	
D10	Engineer – Southern Water and Sewerage Company		16.01.15	
D11	Representatives – District AIDS Task Force		19.01.16	
D12	District Planning Officer, Planning Department		16.01.16	
D13	District Agricultural Officer		16.01.16	
D14	Representative, NZP+		22.06.15	
D15	Bank Manager, FNB		28.06.15	
Sugarcane Companies and Service Providers				
ZaSPIC1	Senior Marketing officer, ZaSPIC		06.01.16	Mazabuka
ZaSPIC2	Senior Manager (Smallholder), ZaSPIC		16.06.15	
ZaSPIC3	MCGT representative (ZaSPIC)		16.06.15	
Kaleya Smallholders Company Limited				
SDK1	Senior Official		14.11.15	Kaleya
SDK2	Officer (Finance)		19.01.16	
SDK3	Officer (Smallholder)		19.01.16	
SDK4	Officer (KASCOL)		17.11.15	

SDK5	Field Supervisor	26.11.15		
Nanga Farms Plc				
SDM1	Manager	20.01.16	Mazabuka	
SDM2	Officer (HR)			
Interviews, Group Discussions and Household Case Studies: Kaleya				
SDK1	KASFA representative (1)	06.15	Kaleya	
SDK2	KASFA representatives (2)	13.11.15		
SDK3	Teacher (St. Clement Basic School)	19.01.16		
SDK4	Original farmer	01.16		
GDK1	Farmer Group Discussion – Mixed	06.15		
GDK2	Farmer Group Discussion – Community representatives	13.01.16		
GDK3	Group Discussion – Women	01.16		
GDK4	Group Discussion – Youths			
Magobbo Scheme				
SDM1	Settlement Committee Representative	21.01.16		Magobbo
SDM2	Farmer Group Discussion – Mixed	06.15		
SDM3	Group Discussion – sugarcane Committee			
SDM4	Group Discussion – Community Leaders	02.16		
SDM5	Group Discussion – Women			
SDM6	Group Discussion – Men			
SDM7	Group Discussion – Youths			
SDM8	Interview – Caretaker in sugarcane community			
SDM9	Interview non-cane grower(1)	18.01.16		
SDM10	Interview non-cane grower(2)			
SDM11	Interview – Teacher (Magobbo Basic School)	01.16		
Other interviews and Discussions				
X1	Manager (Kafue Sugar Plc)	28.01.16	Mazabuka	
X2	Manager (Greenbelt) – input supplier	19.01.16		
X3	Group Discussion – Association representatives (Manyonyo Sugarcane Project)	27.06.15		
X4	Manager (Manyonyo)	29.06.15		