Development delayed simplifications, rationales and impacts of large scale agricultural investment in Tanzania

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Background...

Large scale agricultural investment (LSAI) has experienced a revival on the development agenda the past decade, not least in Africa. LSAI is promoted by governments in Africa, US and Europe as well as by bilateral donors, the corporate sector and development banks. This takes place in a context where bilateral donors and development banks have increased their focus on private sector support in aid.

...and research context

Case studies (see map 2 below for location)
1. In Bagamoyo district, the Swedish investor Eco Energy Ltd’s planned sugar cane investment is one example of recent LSAI which receives strong support from the donor community and the Tanzanian state.
2. The Belgian-Tanzanian investment by Felisa Ltd. (Farming for Energy for Better Livelihoods in Southern Africa) in Kigoma Region has the ambition to produce food from annual food crops.

2. Delay = no investment results

Expected impacts are largely not achieved. Instead we can see lots of unexpected impacts which lead to delay. The picture to the right illustrates this well. To a large extent, these impacts take place before the investor has reached financial closure and/or started production.

Issues surrounding land (e.g. access to land by investors and/or loss of land for villagers) are complicated and sensitive in both our cases. It delays progress, increases the cost and creates massive indirect and 2nd and 3rd order impacts around the investments. It also causes conflict with the local populations and several court cases.

The “way of seeing” by the state, development agencies and investors is over-simplified, disregarding key components of natural and social complexity, local contexts and inequality (Engstrom, forthcoming).

Factors causing investment delay

1. Most action is on paper

Far less operational investments on the ground compared to the picture you get from reading reports and national statistics (Abdallah et al. 2014). Below you can see how many planned investments there were in 2011 (map 1) and how many that were actually active in some way 2014 (map 2). The two studied investments are marked green.

Non of the active investments are for biofuel, nor have they reached profitability but are struggling to become operational since nearly a decade.

3. The “win-win” narrative

The ‘win-win’ narrative is common in various development policies today, especially in connection to 'business for development' where private investors and business actors connect to development agendas. The first ‘win’ usually refers to the company doing the investment, and the second ‘win’ to the local populations, or sometimes to the country as a whole or development in general.

The analysis concludes that these ‘wins’ tend to be over-optimistically conceptualized, where neither the company, nor the local population, or even the state is likely to be as big a winners as expected. The reality of the complex situations on the ground means that it is very difficult to predict outcomes, with both unexpected ‘wins’ as well as unexpected ‘losses’ occurring for all involved actors. The win-win narrative is shown to obstruct serious considerations of potentially very adverse impacts on all actors, especially on the local population (Hajdu & Engstrom, forthcoming).

4. Village level impacts of delayed LSAI

- Conflicts over land between citizens and the state
- Loss of livelihood opportunities and access to water
- In Kigoma, villagers pay rent to use land that they could previously access for free.
- Awaiting resettlement in Bagamoyo, farmers abandon their land plots and management of houses. Some have gotten jobs for the investor.
- Creation of a sense of uncertainty, and increased mistrust towards “outsiders”.
- Due to demands from development agencies on the resettlement process to adhere to IPS Performance Standards for resettlement, some individuals have gained training opportunities while waiting for resettlement.

RESULTS

Methods and research framework

The project is based on qualitative interviews with state officials at national, regional and district levels, development agency staff, investors, consultants and members from the local communities impacted by the investments. The empirical data is mainly framed using post development critique literature on the failure of various kinds of development schemes to achieve expected outcomes, including discussions on the rationale behind repeated failures over time and space.