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Socio-economic Outcomes of Large-scale Land Acquisitions: Case Study Evidences from Sugarcane in Malawi and Tanzania

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Abstract

The paper attempts to contribute to a better understanding of the socio-economic implications of large-scale land acquisitions (LSLAs) in Sub-Saharan Africa (SSA). A number of policy and market factors have contributed to an increasing interest of foreign (and increasingly domestic) private sector organisations to invest in agriculture. A large share of these investments has targeted a number of SSA countries and is based on a model of long-term leases of large areas of land, so-called LSLAs, for the purpose of large-scale farming or plantation projects. This process is happening amid narratives of large areas of available and unused lands in SSA and governments policies to facilitate LSLAs.

The implications of such LSLAs have been discussed very controversially. Numerous studies and articles have reported about the negative implications for a majority of community members whose communal rights of and access to land and other natural resources is at risk. Proponents of such investments, however, often emphasise the potential they entail for lifting the agricultural and rural sector up by providing capital, technologies, know-how and access to output markets, thereby contributing to employment and incomes. Some, however, argue that these potential positive rarely materialize, with employment effects often less than promised as is the case for promised investments in public goods. The international agreed upon Voluntary Guidelines for the Governance of Tenure of Land (VGGT), thus, intends to promote both, governance systems protecting communal land rights, as well as supporting investments that are based on more inclusive models. Contract farming or outgrower schemes are being promoted often in this context as an opportunity to have small-scale farmers benefit more from private sector investments.

This paper will present research about the socio-economic outcomes of different investments cases in Malawi and Tanzania, mainly in the sugarcane sector, that are based on LSLAs but also involve outgrower models as part of their nucleus-estate-outgrower system. The research incorporates both large-scale household survey data from quantitative evaluations as well as qualitative analysis from own interviews and other studies to reflect about underlying factors and longer term dynamics in these investments.

Keywords: Africa, contract farming, impact evaluation, large-scale land acquisitions, Malawi, Tanzania, wage employment