

Agricultural investments for development in Tanzania: reconciling actors, strategies and logics?

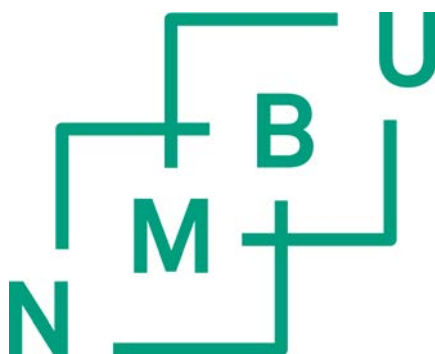
Landbruksinvesteringer for utvikling i Tanzania: aktører, strategier og logikker

Philosophiae Doctor (PhD) Thesis

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Summary

Agricultural investments carry opportunities and risks for smallholders, rural communities, and the environment. This thesis investigates the potentials and limitations of smallholder-inclusive agricultural investments in Tanzania as a development strategy through an in-depth study of private sector-led efforts to develop commercial partnerships between smallholders and large agricultural estates in Tanzania's Southern Agricultural Growth Corridor (SAGCOT). Drawing on a multiple methods, nested case study approach, the thesis investigates how smallholders and nucleus estates in two 'outgrower' (OG) schemes, a form of contract farming that is promoted within SAGCOT, are navigating their relationships in practice and explores what implications this has for smallholder livelihood vulnerability and resilience, and agricultural investment, risk management, and climate adaptation strategies at different scales. The thesis comprises five separate, but interrelated papers that draw on and combine insights from the literatures on contract farming and OG schemes, sustainable rural livelihoods, rural vulnerability, resilience and adaptive capacity, and responsible and inclusive agro-investment governance. The findings show that it is difficult to reconcile the different actors, strategies and development logics and paradigms that OG schemes combine in practice. There is inherent complexity, including potential trade-offs and conflicting values and interests in agro-investments that combine public- and private sector actors, small- and large-scale farmers, and normative development goals. Variations in the contracted crops and their markets, the agro-ecosystems in which they are grown, and in the ownership structure, level of smallholder voice, and types of risks and rewards that small- and large-scale producers in the two schemes face challenge generalized assumptions about their potentials and limitations as a development strategy. While national policies and strategies promote OG schemes as part of a linear agricultural 'modernization' strategy aimed at increasing agricultural productivity and profitability, the findings show that smallholders engage in OG production as part of their efforts to diversify and secure their livelihoods and reduce their vulnerability to risks and uncertainties. The findings moreover raise questions about the viability and sustainability of the nucleus estates connected to the schemes, about the 'theory of change' that underpins their promotion as a development strategy, and about the state's ability and willingness to enforce a level playing field for responsible and inclusive agricultural investment. Taken together, the findings show that OG schemes are part of a more dynamic and complex smallholder development pathway than what is envisaged in national strategies and plans.

1. INTRODUCTION

This thesis investigates the potentials and limitations of smallholder-inclusive agricultural investments in Tanzania as a development strategy. Agriculture constitutes a cornerstone of rural livelihoods and development policies and efforts in Tanzania (URT 2011, URT/MAFC/NAP 2013, URT 2016). If directed properly, investments in agriculture hold the potential to strengthen rural livelihoods, enhance rural incomes and food security, and contribute to national economic development efforts. Yet agricultural investments may also heighten social and economic inequalities, exacerbate vulnerability to climate change, and undermine the ecological basis upon which agricultural development and investment depend (URT/MAFC 2014). While much academic attention, in Tanzania and internationally, has been directed at agricultural investments that involve large-scale commercial land acquisitions in an era of ‘land grabbing’ (Zoomers 2010, Borras et al. 2011, Havnevik et al. 2011, Nelson et al. 2012), smallholder farmers are the main investors in agriculture worldwide (HLPE 2013). Understanding and overcoming the investment barriers that smallholders face and enhancing their capabilities to invest in their own agriculture is therefore considered to be an urgent development priority (Committee on World Food Security 2014). While the form, content, and poverty-reducing impacts of agricultural investments targeting smallholders for development are debated (Hazell et al. 2010, Oya 2010, Collier and Dercon 2014), smallholder-inclusive agricultural investments are promoted in Tanzania as part of private sector-led efforts to modernize and transform the country’s agricultural sector. In particular, outgrower (OG) schemes, a form of contract farming (CF) that combines agricultural production and processing by a large-scale ‘nucleus’ estate with production by smallholders on their own land, are widely promoted as part of efforts to increase agricultural productivity and enhance rural livelihoods and incomes in breadbasket regions of the country (AgDevCo and Prorustica 2011). OG schemes have been promoted as a smallholder-inclusive rural development strategy by different actors, for different crops, at different times, and in various contexts in Tanzania and elsewhere (Oya 2012). However, the diversity of actors and objectives that they combine, contexts in which they are practiced, and ways in which they have been studied leads Oya (2012: 4) to conclude that, contract farming is a site of “ideological and methodological struggles” and that the development implications of CF “constitute contested ground”.