Chapter 12
Foreign Land Acquisitions, Corruption, and Sustainable Livelihood in Sub-Saharan Africa:
The Cases of Mozambique and Tanzania

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ABSTRACT

This chapter investigates the link between foreign land acquisitions and corruption and its implications for sustainable livelihoods in two countries in Sub-Saharan Africa, Mozambique and Tanzania. The leading question is, Does foreign land acquisition provide support for sustainable livelihoods or threaten it and why? The findings reveal that foreign land acquisition provides the prospect to build the capacity necessary for the development of Mozambique and Tanzania, but the local communities that host biofuel industries are being exploited and their livelihoods threatened due their marginalization in the land transactions. At a glance, it appears as if land deals are transparent, communities, governments, and foreign investors reach a negotiated settlement that benefits all sides, but land deals are being facilitated by power dynamics, corruption, community cohesion, and promises without fulfillment. Therefore, given local communities equal opportunity to influence land deals will create the environment necessary for cooperation, fulfillment of promises, national development, and improve livelihood opportunities.

INTRODUCTION

In recent years, scholars from different disciplinary fields such as economics, sociology, human geography, political science, among others, are alarmed about the quest to acquire large tracts of agricultural land in Africa, Asia-Pacific, Latin America and Caribbean by the private investors either by concession or outright purchases (Oane, 2011; Matondi, Havnevik, & Beyene, 2011; Cotula, Vermeulen, Mathieu, & Toulmin, 2011; Sparks, 2012; Narula, 2013). One study suggests

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that, 50 million hectares of agricultural land in sub-Saharan Africa (SSA) are now believed to be in the hands of the foreigners, which, according to the author "is almost equal to the size of Spain." (Sparks, 2012: 687). In the literature, the recent phenomenon of acquiring large hectares of land in poor countries is referred to as 'land grabbing' or 'green grabbing' which directly captures the motive behind foreign land acquisitions in the poor countries. According to Fairhead, Leach & Scoones (2012), "… green grabbing can be understood as part of the vigorous debate on 'land grabbing' more generally, a debate which already highlights instances where 'green credentials are called upon to justify appropriations of land for food or fuel." (p. 238). 'Green credentials' suggests that the motive behind land grabbing is based on sustainable development–"development that meets the needs of the present without compromising the ability of the future generations to meet their own needs" (UNEP, 2010).

In essence, the concern for Green House Gas (GHG) emission, the need for alternative energy, the increase in global food prices and the concern for global food security have forced nations, both poor and rich to strengthen their bilateral cooperation. Governments, companies and organizations go beyond their comfort zone in search of lands suitable for agriculture and to preserve biodiversity (Wily, 2011; Sparks, 2012; Scheidel & Sorman, 2012). It appears that each group has something to offer and gain from the land deals in the poor countries. For example, the governments of Mozambique and Tanzania see an opportunity to attract private investors (henceforth, 'foreign investors') with abundant land and cheap labor. They hope that foreign investors will bring foreign exchange, facilitate agricultural transformation, contribute to the provision of social infrastructures and poverty reduction (Habib-Mintz 2010; Nhantumbo & Salomão, 2010); Gulf countries such as Saudi Arabia, United Arab Emirates, Qatar among others encourage their companies to acquire large tracts of land in Africa to ensure their future food security (Cotula et al., 2011); the European Union and the United States are confident that protecting the rainforests in SSA and other nations will prevent threats of fossil fuels to the environment, protect biodiversity and ensure environmental sustainability (Thompson, Baruah & Carr, 2011; Narula, 2013) while business entrepreneurs from both North and South are optimistic that investments in agriculture in sub-Saharan Africa, Asia-Pacific, Latin America and Caribbean (generally referred to as rainforest nations) will bring agricultural transformation and good business for all. In fact, a convergence of interests makes land deals look like a 'win-win' business for the foreign investors, their host countries and the world.

Meanwhile, the sustainable credential of many actors involved in foreign land acquisitions such as pension funds and venture capitalists, commodity traders, consultants, brokers and aggregators, geographic information system (GIS) service providers, technology procurers, business entrepreneurs among others is questionable (Fairhead et al., 2012); and land grabbing in SSA looks like colonization of the 21st century. For example, the Intergovernmental Panel on Climate change (IPCC) warned that deforestation and degradation of rainforest contribute up to 17 - 20% to Ozone layer depletion during the period 1990 to 2000 (Pfaff, Sills, Amacher, Coren, Lawlor, & Streck, 2010; Corbera and Schroeder, 2011; McDermott, Coad, Helfgott, & Schroder, 2012). If the IPCC assumption is correct, it means rainforest in all parts of the world should be protected from deforestation and degradation. But that is not the case, biofuel and biodiesel cultivators still cut down trees, clear bushes and burn forests to plant their kind of weeds (Habib-Mintz, 2010; Nhantumbo & Salomão, 2010; Cotula & Vermeulen, 2011). And the people who depend on the rainforest for sustainable livelihoods are now surrendering their farm lands and abandoning their farming activities in order to preserve the environment (Roe, Nelson, & Sandbrook, 2009).