APRA

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The political economy of agricultural growth corridors in eastern Africa

Key messages

- Policy appraisal must include **political economy analysis** to explore potential winners and losers.
- **Corridor design** – and the associated business models promoting agricultural investment – make a big difference. Opportunities for a more networked organisation, avoiding the limitations of a 'tunnel' design, need to be explored, especially around the design of transport infrastructure that can benefit local economies.
- **Inclusion and exclusion terms in corridors are mediated** through a range of local institutional and political processes. For example, land speculation and the revitalisation of older conflicts over resources may occur as a result of corridor development. Benefits may be unevenly shared in already unequal societies, with women and poorer households missing out.
- Processes for negotiating corridor outcomes require the **mobilisation of less empowered actors** – including women and poorer people – and their organisation around clear guidelines that ensure terms of incorporation into corridor investments are not disadvantageous.
- Support for legal **literacy and advocacy**, as well as the organisation of disadvantaged groups, will help people to be able to articulate demands. This requires building on local organisations and networks to help counter the power of appropriation of local elites in alliance with the state and investment capital.

Cover photo: Lidia Cabral

Introduction

A new wave of agricultural commercialisation is being promoted across Africa's eastern seaboard, by a broad range of influential actors – from international corporations to domestic political and business elites. Growth corridors, linking infrastructure development, mining and agriculture for export, are central to this, and are generating a new spatial politics as formerly remote borders and hinterlands are expected to be transformed through foreign investment and aid projects.

In our APRA study, which has been based on work in Kenya, Mozambique and Tanzania, we have been asking: what actually happens on the ground, even when corridors as originally planned are slow to materialise? Do the grand visions play out as expected? Who is involved and who loses out?

Three contrasting cases

The following case studies from three countries each explore key 'political economy'[1] themes from different angles:

- **Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) corridor, Kenya** focuses on what happens as the promises of corridor development unfold in the coastal region of Lamu. This research also examines the diverse 'economies of anticipation' that are articulated by different groups – from farmers to civil society groups to government officials – as the terms of inclusion are negotiated even in advance of any big investments.
- **Southern Agricultural Growth Corridor of Tanzania (SAGCOT)** focuses on contestations – especially over land and market opportunities – and the types of resistance and agreement that are reached between interest groups, including state–capital alliances and diverse groups of local people on the ground.

1 This APRA briefing paper is based on findings presented in the APRA working paper, Chome, N., Goncalves, E., Scoones, I., Sulle, E. (2019) *The Political Economy of Agricultural Growth Corridors in Eastern Africa*. Future Agricultures Consortium.

- **Nacala and Beira corridors, Mozambique** examines the political economies of creating corridors through the everyday practice of extension agents, NGO officers and government officials. 'Acts of demonstration', such as projects, shows and visits, generate a visibility for new corridor activity.

Emphasising the diverse politics and practices of corridor-making – and the complex interactions between states, capital and local communities – all three cases focus attention on the classic questions of political economy: who owns what, who gains what, and what they do with it?

The main focus of the APRA corridors studies is on the processes of differentiation that result, identifying the 'winners' and 'losers'. This, in turn, points to a new dynamic of accumulation resulting from corridors, as new forms of capital intervene (or are expected to) in previously marginal agrarian and pastoral settings.

Case study: Lamu port, Kenya

The LAPSSET Corridor Project is Eastern Africa's largest and most ambitious infrastructure project, bringing together Kenya, Ethiopia and South Sudan. Several proposed LAPSSET infrastructure components – including a 32-berth port, an airport, a standard-gauge railway and an oil pipeline – will come together in Kenya's coastal county of Lamu, with that county's population alone expected to increase ten-fold, to just over one million residents.

The research shows how Lamu's current residents are responding to the prospect of large-scale development through 'economies of anticipation'. In this way, people are not only negotiating the terms of inclusion in advance of any huge investments, but they are also creating new, and/or entrenching old networks of patronage and mobilisation so as to secure a place in the anticipated prosperous future of the corridor.

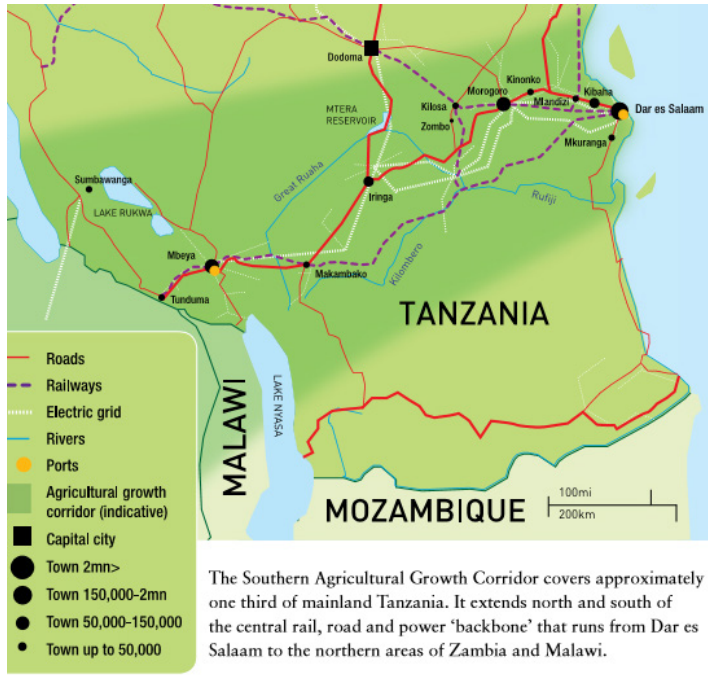
For Lamu's indigenous Bajuni community, the prospect of future population growth as migrants move into the area in search of employment is generating a nervous politics of belonging, driven by fears of potential marginalisation. "We will not be able to vote into office our own [Bajuni] people," explained a local politician.

Speculation over the future of land has also been brought to the fore through the planned LAPSSET developments. An attack by Al-Shabaab-linked gunmen in 2014 - where close to 90 people were killed on the mainland areas of Lamu - was linked by the government to rumours (and real concern) of a 'Lamu land grab'. This lead to the government revoking formal titles that had been issued to 22 companies between 2011 and 2012, when the LAPSSET agenda was beginning to take shape. Some of the land included plots where 12 of the proposed 32 berths of the new port would be built. Since 2016, Kenya's government has reallocated this land as individually-owned plots to local residents, with some reserved for LAPSSET activities.

The case of LAPSSET in Lamu provides valuable insight into local reactions to large-scale infrastructure projects in previously marginalised rural regions. The anticipation that this large-scale infrastructure project has generated on the ground suggests that local reactions can sometimes be complex and varied, separate from analyses that have emphasised the dispossession of rural communities and the expansion of bureaucratic power as the main outcomes. Instead, LAPSSET is continuously being debated, anticipated and negotiated by multiple actors with diverse interests, and with increasingly varied and unpredictable consequences.

Case study: The outgrower model in Tanzania

SAGCOT was launched in 2010, as a public-private partnership which aims to produce "inclusive, commercially successful agribusinesses that will benefit the region's small-scale farmers." The corridor covers approximately one-third of Tanzania's mainland – extending north and south of the central rail, road and power 'backbone', which runs from Dar es Salaam to the northern areas of the Democratic Republic of Congo, Malawi and Zambia.



The Southern Agricultural Growth Corridor covers approximately one third of mainland Tanzania. It extends north and south of the central rail, road and power 'backbone' that runs from Dar es Salaam to the northern areas of Zambia and Malawi.

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The corridor's planners (mainly state bureaucrats with support from external consultants and private sector) have promoted an 'outgrower' farming model, as a purportedly inclusive model for commercialised agriculture. For example, the SAGCOT blueprint cites the outgrowing scheme operated by the Kilombero Sugar Company (KSC) as the model to replicate. KSC began as a private company in the 1960s before being nationalised in 1967 – since then, the government operated the company in partnership with outgrowers until it was once again privatised. Now largely owned by Associated British Foods Plc., KSC maintains its working relationship with outgrowers.

The outgrower model benefits some – predominantly wealthier farmers – and the production of sugar is crucial for the local and national economy. However, estates offer few and often poor quality job opportunities, as they generally depend on migrants and seasonal workers.

And, while outgrowing offers some tangible backward and forward linkages supporting the local and national economy, a lack of comprehensive policy, legal and institutional frameworks governing outgrower schemes limit opportunities for all participating farmers. As a result, this partnership between the company and outgrowers provide greater benefits to investors and elites, and can have significant negative implications for marginalised land users, such as pastoralists and poor outgrowers.

Without checks and balances, the rushed implementation of SAGCOT could have disastrous implications for many rural communities. The state body established to facilitate development of the Rufiji Basin, for example, continues to lobby communities to allocate land for large-scale investments in the corridor. However, not all communities have consented to requests to conduct land-use planning.

Case study: Agricultural commercialisation in Mozambique

Along the Beira and Nacala corridors, in addition to the renovation of the main roads and railways connecting the ports to the hinterland, agricultural commercialisation infrastructure projects have been undertaken. Through a number of different arrangements – such as catalytic funds, international private investments or NGO-funded agribusiness projects – new agribusinesses have taken off and traditional cash crops such as cashew nuts, tobacco and sugar are being revitalised.

Over the past 3 years, Nhamatanda district along the Beira corridor has witnessed the construction of important commercialisation infrastructure. A processing plant in Tica – composed of three 1000 t silos, two 300 t transitory silos and two store houses – was built in 2015. However, the grain silos are prohibitively expensive for smallholders, who are often unable to meet the minimum requirement of 5 t of produce to have access to the silos. The storehouses also follow storage procedures, including fumigation, which may mean that stored produce may not be readily available in case of need.

So far, the impacts of infrastructural investments along the corridors in Mozambique are mixed on the ground and smallholders in Nacala and Beira corridor areas are not even close to feeling the positive effects in terms of improvement of their livelihoods as a result of increasing production and productivity. Access to new infrastructure for agricultural commercialisation is selective. With large companies and investors primarily benefiting, the possibilities for Mozambique to unlock its agricultural potential along the so-called agricultural corridors remains limited. Smallholders therefore continue to wait for 'the market' in the form of reliable market information, appropriate warehouses and storage infrastructure and, most importantly, feeder roads that can connect areas of high agricultural potential to the main corridor roads and railway lines.

Processes of corridor-making: emerging findings

Some reflections on the implications of our findings for debates about the development of commercial agriculture in eastern Africa include:

- **The form and design of the corridor matters**. We contrast a linear, 'tunnel' model – involving a limited set of actors usually involved in enclave-based export production – with a more informal 'network' model that allows a wider range of actors to be included.
- **Business configurations of investments are important**. Large investments in agriculture in the form of centrally-managed estates or plantations may offer limited opportunity for positive 'spill-over' or 'linkage' effects in the wider economy, especially if labour is hired from outside the region, as is often the case. By contrast, investments that explicitly include an outgrower element – whereby smallholder farmers produce on contract for a core estate or processing plant – offer potentials for different production relations, depending on the terms of incorporation.
- **Local context and negotiations alter plans**. Neither a state-driven modernist plan nor enclave capitalism results. Local contexts and political negotiations instead generate many

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hybrid forms, as different visions compete and converge. State plans for corridor commercialisation – often presented as a vision of an extractivist 'tunnel', with limited connections to wider economies – frequently fall apart. The realities of rural Africa on the margins intervene, transforming economic prospects and forcing projects to morph into a new project more closely aligned with local capital interests.
- **Winners and losers**. At the local level, alliances between local elites, investment capital and the state results in new patterns of differentiation, creating winners and losers. Ethnic politics is often central, as claims over resources are contested between indigenous groups and a state promoting a national development project. Those able to benefit from new investments – such as through outgrower schemes – are often those who are already better off, with corridors reinforcing existing patterns of inequality.
- **Agricultural corridors as 'demonstration fields'**. In the past two decades, various government-promoted and donor-funded agricultural programmes and projects have been undertaken along corridors but few live up to the expectation of unlocking the agricultural potential of these regions. Agricultural corridors are then the result of spatial and temporarily dispersed interventions by networks of actors – local and external – that reproduce themselves by proclaiming agricultural development during agricultural fairs and conferences, the unveiling of agriculture-related infrastructures and generalisations from isolated cases of success. To different degrees, smallholders, local government, NGOs, private investors and international donors all play a role in the constitution of agricultural corridors as 'demonstration fields'.
- **Diverse pathways of commercialisation emerge**. Agricultural initiatives range from the establishment of estates/plantations, to the creation of block farms and cooperative groups, to contract farming arrangements – or emerge through infrastructure development, including roads and rail that change market opportunities and relations. However, outcomes are not necessarily as planned, as actors get involved, new networks are created and new opportunities arise.

Implications for policy and practice

Practical and policy implications differ greatly by context. Below we offer a generic set of implications for agricultural growth corridors in eastern Africa based on our findings:

- Policy appraisal must include **political economy analysis** to explore the potential winners and losers. External capital/infrastructure investment mobilises local interests, including local capital and the state, creating new patterns of differentiation. This means appraisal must go beyond the standard economic assessment to a wider social and political analysis.
- **Corridor design** – and the associated business models promoting agricultural investment – make a big difference. Opportunities for a more networked organisation, avoiding the limitations of a 'tunnel' design, need to be explored, especially around the design of transport infrastructure that can benefit local economies.
- **Inclusion and exclusion terms in corridors are mediated** through a range of local institutional and political processes. For example, land speculation and the revitalisation of older conflicts over resources may occur as a result of corridor development. Benefits may be unevenly shared in already unequal societies, with women and poorer households missing out.
- Processes for negotiating corridor outcomes require the **mobilisation of less empowered actors** – including women and poorer people – and their organisation around clear guidelines – such as those within the FAO Voluntary Guidelines on land tenure – that ensure terms of incorporation into corridor investments are not disadvantageous.
- Support for **legal literacy and advocacy**, as well as the organisation of disadvantaged groups, will help people to be able to articulate demands. This requires building on local organisations and networks to help counter the power of appropriation of local elites in alliance with the state and investment capital.

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As state-capital alliances forge grand visions for development corridors across Africa's eastern seaboard, the processes of corridor-making will come under greater scrutiny. The issues raised by our research suggest the need to focus on a more inclusive, 'networked' form of corridor, avoiding the dangers of extractive 'tunnel' visions designed for extraction.

If corridors are to benefit the majority, through investments in infrastructure, new technologies and markets, then attention to political economy is vital, whether in relation to wider structural political interests or practical engagements on the ground.

Image captions:

Cover - Section of nacala corridor rail line

Page 3 - Farmer's agricultural commercialisation in Ribáuè, Nacala corridor

Page 4 - Lamu-Garisa-Isiolo-Highway

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