Agricultural Growth Corridors Equals Land-grabbing? Models, Roles and Accountabilities in a Mozambican case

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Paper presented at the
International Conference on
Global Land Grabbing
6-8 April 2011

Organised by the Land Deals Politics Initiative (LDPI) in collaboration with the Journal of Peasant Studies and hosted by the Future Agricultures Consortium at the Institute of Development Studies, University of Sussex

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FIRST DRAFT !

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Agricultural growth corridors have over the last years been launched as high-profile initiatives to increase agricultural production in Africa. These 'corridors' are presented as value-chain mechanisms, and as means to promote an African Green Revolution. As a model for agricultural development, the corridors can also be analysed in the context of shifting international policy discourses, where *public-private partnerships* (PPP) for development at present are gaining considerable influence. My claim here is that these PPP bring up important questions of *accountability*. Who is accountable if and when public-private partnerships to promote investments in agriculture get bogged down? Who is accountable if and when PPP drive processes which end up marginalising local people's rights and interests in land? Who is accountable for what, and to whom?

The paper discusses some elements in the plans and processes aimed at establishing an agricultural growth corridor in Central Mozambique.[1] The *Beira Agricultural Growth Corridor (BAGC)* has so far involved agricultural land that also historically was used for larger-scale commercial production. It is land that was alienated from local people at an earlier stage. Now, from a local smallholders' perspective, there is concern that an initiative such as BAGC will involve further risks of marginalisation from the best agricultural land; while others see it as embodying new opportunities. With the Mozambican Land Law of 1997, rural people have in principle secure land-use rights. But these rights need to be affirmed and realized in local contexts of political negotiation and unequal access to economic resources.

A brief introduction to processes and actors in the *agricultural growth corridor*

The *BAGC* partnership started out as a high profile initiative, with the international fertilizer company *Yara*, first as convenor, then as a lead partner in collaboration with AGRA[2]. At the

[1] This paper is based on a study funded by NORAD – Oslo and commissioned to Noragric to review the implications of new agroinvestments for land use and local people's livelihoods. It was published as Noragric Report No. 53, 2010. [http://www.umb.no/statisk/noragric/publications/reports/2010_nor_rep_53.pdf] I am grateful to diverse actors within the network of the BAGC initiative for generously providing information.

[2] *AGRA – Alliance for a Green Revolution in Africa* – is a partnership-based agency seeking to promote a fundamental transformation of African agriculture. A main partner is NEPAD – the African Union's New Economic Partnership for Africa's Development, through its CAADP programme – the Comprehensive Africa Agriculture Development Program. According to AGRA's Strategy, it is an Alliance working to 'achieve a uniquely African Green

World Economic Forum held in Davos in January 2009, a workshop was organised to present the 'Agricultural Development Corridor' approach. Some Mozambican government representatives attended the presentation and found it to be an interesting initiative. In Mozambique, the Land Law of 1997 had actually sought to combine secure rights of access to land for rural people with access to land for larger-scale investors. After more than a decade of growth in the national GDP, however, the Government no doubt realised that to the extent that any significant capital accumulation took place in Mozambique, it had not been directed towards investments in agricultural development. A Centre for the Promotion of Agriculture (CEPAGRI[3]) had been established by the Ministry of Agriculture in Maputo, both to facilitate public-private partnerships in the agricultural sector, and give advice to foreign investors in cases where FDI[4] would involve large-scale land acquisitions. After Davos, Yara proceeded to concretise the concept of 'agricultural growth corridor' into a proposal for the Beira Corridor in Central Mozambique. For this purpose, Yara involved consulting companies working at the public-private interface, such as *Prorustica*, *InfraCo* and *AgDevCo* – all UK-based.[5]

The proposal – or rather a concept report – for the *Beira Agricultural Growth Corridor* was ready in January 2010. A first 'Partnership Meeting' was organised in Maputo, and immediately afterwards the BAGC initiative was launched at the 2010 Economic Forum in Davos. Only a month later, during a visit by the Norwegian Minister of Development to Mozambique, another launch of the BAGC was organised 'in the Corridor', at Beira Port. This local launching was also attended by representatives of the Mozambican Government and the local private sector, in addition to Yara International. In the region, the *Beira Corridor* is a well-established term, referring to the axis of transport infrastructure – rail and road – linking the port of Beira to Zimbabwe, and crossing the central Mozambican provinces of Sofala and Manica.

Revolution' which will 'put smallholder farmers first while protecting biodiversity, promoting sustainability and advancing equity'. http://www.agra-alliance.org/section/about/agrastrategy [accessed 6 July 2010].

[3] CEPAGRI – *Centro de Promocão da Agricultura*

[4] FDI – foreign direct investments

[5] *Prorustica Ltd.* is an international development consultancy, based in the UK, and providing solution-oriented services (according to company website). http://www.prorustica.com/ *InfraCo* is a project development company created in 2005, focusing on the development of infrastructure services (e.g. irrigation). DFID played a key role in establishing the company. It is donor-funded (with DFID together with SIDA, Dutch Cooperation etc.) but privately managed, and seeks to act as an 'honest broker' in creating 'viable infrastructure investment opportunities that balance the interests of host governments, the national and international private sector and providers of finance'. The chairman of InfraCo is also the Executive Chair of AgDevCo. http://www.infracoafrica.com/about.asp *AgDevCo* was established as a separate development company in 2009. As a non-for-profit agricultural project development company, it acts as an investor to develop agriculture enterprises at an early stage, seeking to provide 'transformational benefits' for smallholder farmers and communities. AgDevCo was central in developing the final proposal for the BAGC. http://www.agdevco.com/ [accessed 22 February 2011]

In the Beira *Agricultural Growth* Corridor initiative, *Yara International* has played several roles.[6] As a main producer and supplier of chemical fertilizer to global markets, however, Yara primarily operates as a commercial company seeking maximum profits for its investments. In the Beira Corridor region, Yara saw a potential market for agricultural inputs, and envisioned a large-scale infrastructure built at Beira Port for loading, storing and mixing fertilizer. However, soon after the launching event in Beira in March 2010, detailed studies of soil mechanics and water-logging at the projected construction site revealed that not only this site, but the larger silted-up area was unsuitable for such heavy constructions. As a result, Yara by mid-2010 shifted its focus to another parallel – but until then less prioritised – project, the Southern Agricultural Development Corridor of Tanzania (SAGCOT). In January 2011, a blueprint for the SAGCOT initiative was launched at the World Economic Forum in Davos, with USAID committing some funding. During a visit of the Norwegian Minister of Development to Tanzania in February 2011, further support was pledged from the Norwegian Government to support the development of the SAGCOT corridor. 'The goal is increased growth, increasing food production, and to contribute to a green revolution in the country', said the Minister of Development. 'This can be a model for other countries'.[7]

Central concepts in the Agricultural Development Corridor approach

A range of actors have in some way or other been involved as 'partners' in the agricultural growth corridor initiatives. They all seem to share a confidence in and commitment to *public-private partnerships*. In this context, *Yara International* sees itself as acting as a 'global catalyst', as the company first responded to Kofi Annan's call for an African Green Revolution at a meeting in Ethiopia in 2004, and later has been advocating this Revolution through promoting public-private partnerships 'to rally support for investments in the sector'. In this way, as they see it, they can encourage 'a transformation of African agriculture from subsistence farming to profitable entrepreneurship', while the launching of the 'agricultural growth corridors' has been more concrete ways of initiating 'PPPs on the ground'.[8] The *Norwegian Government's* support to PPP by means of development aid seems to be a response to available evidence about global capital flows. Simple and striking figures show that not only does the amount of illegal capital flows *out of* developing countries by far exceed FDIs *into* developing countries, but in this context development *aid* – even the Norwegian 1% of GDP –becomes insignificant.[9] The Norwegian policy shift towards increased reliance on PPP can, in part, be seen as a response to this picture, and as a means to achieve greater *impact* of development aid.

[6] These roles are, in turn, related to Yara's development of its own profile as a socially responsible global agribusiness company, based in Norway, but also seeking to international influence agricultural policies and promote a modernisation of agriculture in sub-Saharan Africa, working to support an African Green Revolution through PPPs.

[7] News from the Norwegian Government, 22.02. 2011 [http://www.regjeringen.no/nb/dep/ud/aktuelt/nyheter]; my translation.

[8] http://www.yara.com/sustainability/africa_program/yara_and_africa/index.aspx [accessed 25 February 2011]

[9] http://www.regjeringen.no/nb/dep/ud/kampanjer/dialog [accessed 25 February 2011]

Increasing interest in public-private partnerships, in turn, creates new opportunity situations for consultancy companies operating in this field. According to *Prorustica* (mentioned above), PPP has emerged as a 'key vehicle' to realize the potential of African agriculture. Their view is that private investment is not enough, 'public funds and resources are needed'. The company sees itself 'in a strictly neutral role' as a 'pioneer in forging these crucial Public Private Partnerships'; including the agricultural growth corridors. [10] *InfraCo* and *AgDevCo* are both 'development companies' at the public-private interface. PPP is presented as a central element in their approaches to agricultural development in Africa.[11]

Key elements in the conceptual framework underlying the more concrete BAGC and SAGCOT initiatives are set out in a paper developed by the chair of both AgDevCo and InfraCo called *Agricultural growth and poverty reduction in Africa: The case for patient capital* (Palmer 2010). In relation to BAGC, the concept paper provides a set of answers to questions such as:

- Why have private investments in the agricultural sector so far been limited in African countries such as Mozambique and Tanzania?
- What is required to promote investments in agriculture?
- Why should (public) donor-funding be allocated to private-sector commercial enterprises?

The simple answer given to the first question is 'lack of sufficient profitable investment opportunities' (Palmer 2010:3). This lack of opportunities is, according to the paper, a result of what is called the 'greenfield' (immature, early) stage of agricultural development (p. 7). *Greenfield agriculture* is characterised as particularly risky (p. 8). And with high risk, investors will require high returns, while 'many greenfield agriculture ventures have low expected returns' (Palmer 2010:8). How can this inherent contradiction be overcome? Through the *agricultural growth corridor* approach; according to InfraCo/AgDevCo, this is the solution to the high risks and low returns of 'greenfield agriculture'.[12]

In his 2010 concept paper, Palmer emphasizes the benefits of 'economies of scale' (p. 8). This, of course, has been a contested issue in debates over agricultural and rural development for many years (cf. Ellis & Biggs 2001, Vermeulen & Cotula 2010)[13]. The basic element in Palmer's argument in favour of economies of scale is the high costs of installing the infrastructure necessary for agricultural development. He claims that: '...it is unquestionably the case that small

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[10] http://www.prorustica.com/ [accessed 25 February 2011]

[11] AgDevCo is also itself presented as a 'public -private partnership'. http://www.keithpalmer.org/current.php [accessed 25 February 2011]

[12] Cf. Presentation on Agricultural Growth Corridors by Chris Isaac, AgDevCo: http://www.agdevco.com/-images/stories/pdf/GENERAL_REPORTS/Event_Presentations/agricultural%20growth%20corridors-%20making%20agriculture%20competitive.pptx.pdf [accessed July 15, 2010]

[13] Ellis and Biggs discuss the 'continuing success of the long-running 'small-farm efficiency' paradigm' (2001:437). While Vermeulen and Cotula (2010:14) hold that: 'plenty of evidence...suggests that, where put in a condition to work, smallholders are able to produce competitively and seize new market opportunities'.

farmers cannot generate enough value to pay for the cost of installing infrastructure with its high fixed costs' (2010, footnote 12). In the corridor approach, access to *patient capital* becomes the means to overcome the barriers of infrastructure costs. Patient capital is more specifically defined as 'long-term capital made available by the international community on concessional terms' (Palmer 2010:11). This means that 'patient capital' is capital made available by public partners.[14] In practice, it means there is a need for a long-term subsidy to develop commercial agriculture – even if it is not operated by small-scale farmers; a subsidy to be provided either by the national government, by international agencies and/or donors. Basically it is through the argument about the 'barrier' created by the high start-up costs of agriculture-supporting infrastructure that the BAGC concept provides an answer to the question: Why should donor-funding be allocated to private-sector commercial enterprises?

On the ground, as a 'lead partner' in the BAGC partnership, Yara had planned to construct a large fertilizer blender at Beira port. But as a commercial company, it did not operate with 'patient capital', when swiftly shifting its interest and capital investment plans towards a project involving less risks and faster returns – at this point in time to the SAGCOT corridor in Tanzania.

The move, nevertheless, brings up the more general question of *accountability in public-private partnerships*. What models of accountability apply, and who is accountable for what? To whom? We know that private companies are accountable to their boards, primarily for the results' line in their accounts. Can they also be accountable to a PPP? Is the PPP accountable for the 'results' when it initiates an initiative to promote development of commercial agriculture in a fairly high-risk environment? Is it the public partner involved at the local or national level that has to assume accountability – top-down? Is the Norwegian development administration or DFID accountable as 'partners' in this PPP? Or is there no accountability involved in a PPP? Maybe that is part of the good thing about it?

Public & private roles and responsibilities: Historical antecedents in Central Mozambique

The BAGC was launched as a 'concept' or 'model' to develop 'greenfield agriculture', but on the ground it does not operate in a historical vacuum. Neither is this a 'greenfield' region in terms of historical PPPs. In fact, the core area of the BAGC initiative – that is, most of the territory between the Zambezi River in the north and Sabi River in the south – was in the heyday of European colonialism contracted out by Portugal to the private Mozambique Company.[15] In the 1880s and -90s, Portugal was under extreme pressure, both from the British Empire and Cecil Rhodes' expansionist ventures, to assert its 'effective occupation' of present-day Mozambique (Newitt 1995:369). In 1891, the same year as a final treaty on borders in the region was signed between Portugal and the British, the Mozambique Company was granted the right to taxation, to issue currency and postage stamps, and to give out land and mineral concessions in central Mozambique. The Company's duties included administration of the territory, while paying 7, 5% of its profits to the Portuguese government.

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[14] There is a contradiction in Palmer's argument concerning the benefits of 'economies of scale' and the need for 'patient capital'. Both hinge on the costs of infrastructure, but there is a contradiction in arguing for both.

[15] *Companhia de Moçambique* in Portuguese.

In the Manica highlands, sub-concessions to establish farms were soon leased to white settlers. At the same time, the Company prioritized developing the port of Beira, as well as the railway to (then) Southern Rhodesia. Beira city expanded rapidly, while the railway line was completed by 1898. Built by a subsidiary of the British South Africa Company, its primary purpose was, like that of Beira port, to serve Southern Rhodesia (Newitt 1995:395-96). From 1910 onwards, it was also British interests backed by South African capital which dominated the Mozambique Company. The Company ruled its concession territory in central Mozambique till 1941. According to Newitt[16], both the economy of the Mozambique Company and that of the colonial state as a whole depended on the one hand on the taxation of African smallholders and the use of their labour (including forced labour) within the colony. But it also depended on the provision of services and (Mozambican) labour to the neighbouring British colonies.

An incipient plantation economy in Mozambique was initially dependent on forced or 'unfree' labour, and the Mozambique Company experimented with forcing peasants to grow cotton within its territory (Newitt 1995:393, 454). The more successful plantation economy was, however, primarily represented by the *Sena Sugar* Company. The Portuguese had granted *Sena Sugar* large land concessions the on the north bank of the Zambezi River (now provinces of Zambezia and Tete). Portugal was in this way adapting the former system of colonial *prazos* to a more modern plantation economy. [17] The Mozambique Company also gave concessions to Sena Sugar within its own territory. According to Newitt (1995:427), these plantations represented an export-oriented economic activity that also attracted outside investment. They 'generated considerable foreign earnings and led to the building of a substantial infrastructure'. At the same time, the plantations were 'isolated islands of production linked to the outside world through the nearest port and exporting their product and much of their profits' (Newitt op.cit.).

Large-scale production of cotton for the market was eventually established in Mozambique under the neo-mercantilist (fascist) regime of Salazar's *Estado Novo* in Portugal (1933-1974). State planning and cotton-growing 'campaigns', in combination with compulsive measures had, according to Newitt, by 1944 resulted in a total of 791.000 smallholders involved in cotton growing on 267.000 ha of land (1995:455). Cotton was, however, mainly produced in the northern part of Mozambique (present-day Nampula Province).When the *Estado Novo* in the 1930s further decided to consolidate colonization by supporting the migration of Portuguese peasants to Mozambique, irrigated land was, in part, reserved for Portuguese settlers. As the Portuguese migrants were often poor (and illiterate), from 1945 onwards they got the passage to

[16] Newitt's *A History of Mozambique* (1995) is so far the most comprehensive and authoritative authoritative historical work in the field.

[17] In central Mozambique, the Kingdom of Portugal had as a colonial power historically used so-called *prazos* as a system of territorial control and large-scale land concessions. The *prazos* involved large tracts of land granted to individuals or families for 'three life tenures' (Newitt 1995:224). The *prazos* formed the basis of Afro-Portuguese elite in central Mozambique, and were in practice subject to *matrilineal* inheritance, parallel to local traditional systems of transmission of rights and authority north of the Zambezi. Later, in the 19th and early 20th century, former *prazo* land was leased out to plantation companies.

the colony for free, and in the 1950s they were also entitled to extensive loans and grants to get established in the so-called *colonatos* dedicated to 'modern' family farming (Newitt 1995:466). This was the basis for development of the so-called *colonatos'* settlements in the province of Manica, which has been targeted as a core area for the current BAGC initiative.

With Mozambican independence in 1975, both the state administration and the economic development plans set up under FRELIMO leadership became highly centralised. Within the initial development agenda of FRELIMO, the development of a modern-state agricultural sector consisting of state farms was prioritized.[18] State farms were in part established on the land of abandoned Portuguese estates and in part in the former *colonatos'* settlements. By 1982, the state farms had 140.000 ha under cultivation (Newitt 1995:553). They used modern technology, drawing upon foreign expertise and economies of scale, and sought to develop agriculture through the development of a class of agricultural labourers. This period of state farming in Mozambique took place in the wider context of decolonization in the 1960-70s, when the new African governments 'increasingly assumed control over their natural resources, including land, making it more difficult for foreign investors to become involved in the production of agricultural goods directly' (UNCTAD 2009:105).

In Mozambique, however, the period of state farming was relatively short. The model met with a lot of resistance, and its implementation basically coincided with the civil war that followed Mozambican independence. Even before the signing of the Peace Accord in 1992, the FRELIMO government had initiated the implementation of an extensive structural adjustment and liberalisation programme. This was one element in a conditionality 'package', in part developed by the World Bank and the FMI (Abrahamsson & Nilsson 1995:111, Sjaastad et al. 2007:34). In 1989 started the (re)privatisation and restructuring of state-owned companies – of which 20% were state farms (Pitcher 2002). After privatisation and restructuration of the Mozambican economy, the major foreign private investors in agriculture and agro-processing in Mozambique were still British, in addition to South African and Portuguese capital (Pitcher 2002:208).

The BAGC concept – in brief

Just a few words about what the BAGC concept for agricultural development implies. As I understand it, the basic idea is to link up commercial investments in agriculture (principally FDI) with *patient capital* from public sources – for non-profit-making infrastructure development. The BAGC concept also involves linking up large-scale commercial farms with selected smallholder farmers. The BAGC concept report presents (basically) two different *models* for integrating smallholders into commercial agricultural development. Palmer's paper also describes structured linkages between 'commercial farm hubs' and 'smallholder farmers living in the area' as a central element in the business model promoted (2010:15). The two *models* of organising *commercial units & smallholders* can very briefly be described as:

- An *outgrower model,* consisting of a commercial farm *hub* which provides services (e.g. extending irrigation or storehouse facilities) to *outgrowers* – in the form of smallholders (or organized smallholders) in the area.

[18] The FRELIMO party declared itself as a Marxist-Leninist party in 1977.

- A *serviced farm blocks model*, with a serviced and irrigated area managed by a leasing company, (sub) leasing farm blocks of different sizes to both commercial and small-scale farmers. Services provided would include electricity, finance and inputs (seeds and fertiliser), in addition to access to markets and extension services (BAGC Report 2010:22).

Both models fall under the more general category of *contract farming*, referring to as a pre-agreed supply arrangements between farmers and buyers. While contract farming usually consists in local farmers growing and delivering a specified amount of produce of a specified quality at an agreed date, there is an enormous diversity in local arrangements, and they tend to shift over relatively short periods of time, according to Vermeulen and Cotula (2010:39). A 2006 World Bank report further points to contract farming as an instrument of providing credit to farmers; especially to produce cash crops in situations of 'poor performance of the financial system' (World Bank 2006:15). But such companies usually provide services to farmers because they are interested in access to the farmers' products – for processing and marketing – not to serve as sources of micro finance (World Bank 2006:5).

In the BAGC concept, the complex issues of smallholders' access to credit for commercial agriculture are not dealt with, but this is not the question I want to focus on here. My concern is the question of land. In this regard, the BAGC concept seems to open up for two different models. While the 'outgrower model' involves linking up neighbouring smallholders working on their own land with a larger commercial farm, the 'serviced farm blocks model' implies that the land for farming – and the necessary infrastructure – is controlled by a commercial company or estate.

Agricultural land for commercial farming in the Beira Corridor

Government officials in Mozambique usually hold that there is a lot of land available in the country. Pressure on land is not a problem, neither is land grabbing! But representatives of the provincial association of small farmers, UCAMA,[19] are concerned since all land in the Corridor area with reasonable access to transport facilities is already occupied. On the one hand, average population density in the country is only around 28/km^2, while in parts of the country – in peri-urban areas, in the Maputo Corridor, and along the coastline – there are clear signs of increasing pressure on land. Here it is relevant to ask: In the Beira Corridor area, how much land is supposed to be available for commercial agriculture? Who own that land now? And will the BAGC initiative lead to increasing pressure on land and local smallholders?

The BAGC concept report (2010, pp. 4, 9, 12) works with a vision of '10 million hectares of arable land' – presumably available for commercial agriculture – in the Beira corridor. Which land is this? In the BAGC concept report, it is presented as falling into the following categories[20]:

[19] UCAMA, the main organization of small farmers working at the provincial level in Manica, was in 1997 formed as an association within the Peasants National Union, UNAC (*União Nacional de Camponeses*).

[20] A brief basis for the assessment is given BAGC concept report (2010:15).

BAG AREA LAND ASSESSMENT

Of *total land* area in Manica, Tete and Sofala Provinces:	23.000.000 ha	(100%)
Arable land (based on soil and climatic suitability) is:	10.000.000 ha	(44%)
Land suitable for irrigation (arable land with proximity to reliable water source and transport infrastructure):	300.000 ha	(1.3%)
Potential for new commercial farming (suitable land taking into account a market assessment for maize, wheat, rice, soya,citrus, mango, banana and sugarcane):	190.000 ha	(0.9%)

Mozambican authorities through the Ministry of Agriculture/DNTF[21] have carried out another assessment of land available for investments in agriculture. Taking into account a different set of factors, it also reaches different conclusions.[22] The DNTF's *Inventory* of land available for agricultural investments is based on information on *current occupation* of land. It excludes land under conservation (e.g. national parks), land for mineral concessions etc. The DNTF figures[23] give the following result for the BAGC area:

DNTF LAND INVENTORY – BAGC AREA

Total land area of Manica, Tete and Sofala Provinces:	23.000.000 ha	(100%)
Available land for agricultural investments in Manica, Tete and Sofala:	2.155.900 ha	(9.4 %)

The area of *Available land* in the DNTF inventory does not take into account the factors used in the BAGC assessment – cf. the categories 'suitable for irrigation' and 'potential for new commercial farming' above. The criteria used by DNTF are, by contrast, legal property rights and current land use by local people. These are criteria that result in an area of *Available land* (2.155.900 ha) in the region; an area much smaller than the area of *Arable land* (10.000.000 ha) highlighted in the BAGC concept report (2010).

The criteria used in the DNTF inventory would also merit some further discussion. On the one hand, the DNTF category of 'land in use' (and thus 'not available') may not really have taken into account the fact that local people traditionally depend on extensive systems of agriculture, such as *shifting cultivation*[24]. Shifting cultivation means that local people's livelihoods depend on access to considerably larger areas of land than what is under cultivation at any given point in time. As a typical low-input agricultural system, it is adapted to areas of low population density and subsistence farming. But this also means that local people's acquire 'user rights' over larger areas than may be evident if assessments only take into account currently cultivated plots. This may imply that the figure of 'Available land' in the Inventory (above) is too high. On the other

[21] DNTF – the National Directorate for Land and Forests *(Direcção Nacional de Terras e Florestas)*

[22] DNTF (2008) *Relatório do Zoneamento Nacional*. MINAG/ Direcção Nacional de Terras e Florestas

[23] Based on Calengo (2009: 44-46).

[24] Also called 'swidden cultivation' or 'slash-and-burn' agriculture. In Mozambique such agricultural practices have often been associated with *queimadas descontroladas* ("uncontrolled burning"), which is not particularly helpful if the objective is to understand what is actually going on in rural areas.

hand, as pointed out by Calengo (2009:45), the DNTF Inventory excludes from the category of 'available land' also the land for which local communities have acquired *DUATs* – i.e. formalised 'user and benefit rights'. To deal with the question of land ownership in the Beira Corridor more generally, it is, however, necessary to relate to the legal framework for landholding in Mozambique.

Questions and frameworks for land rights

The basic principles governing issues of land rights in Mozambique today were set out in the National Land Policy of 1995, by a government seeking to harmonize the interests of local communities with private-sector interests, including the promotion of new investments aiming at economic growth (Calengo 2009). The legal basis for land rights, claims, and access to land is spelled out in the (new) Constitution of 1990 *(Constitução da República de Moçambique)* and in the Land Law *(Lei de Terras)* of 1997. The Constitution of 1990 maintained land as State property, while the Land Law of 1997 guarantees access to and the use of land for local populations, as well as for investors. Article 12 states that land rights can be acquired in the following ways:

- Through occupation by individuals and local communities, according to those customary rules and practices that do not contradict the Constitution;
- Through occupation by Mozambican individuals who have been using the land in good faith for at least ten years;
- By authorization of an application presented by individuals or corporate bodies in the form defined in the Land Law.

The first bullet point above recognizes and accommodates 'traditional' community land rights, as well as individuals' land rights based on traditional use and occupation. The second bullet point was specifically targeted for recognising rights to land acquired through use and occupation outside 'traditional' (inherited) family and community land. It provided a basis for recognising rights to land for the large numbers of internally displaced people during the civil war in Mozambique, and thus to protect their livelihoods after the war. Finally, the third bullet point opens up for access to land through long-term leases to nationals, as well as to foreign investors and companies with concrete investment plans (cf. Tanner 2001, Ikdahl et al. 2005:47-48).

Regulations on the implementation of the Land Law in rural areas was passed it 1998, with a *Technical Annex* approved in 1999. The Annex deals specifically with procedures for identifying 'local communities' holding rights to land. The Annex also sets out the procedures for delimitation, demarcation and titling of such land. As 'ownership' of all land in Mozambique is vested in the State, the formal property rights of individuals, communities, and corporations have the form of 'land use and benefit rights' – the so-called *DUATs.*[25] Calengo (2009:39) points out that the land-use rights of a private investor, acquired through official approval of an investment proposal, and represented in a legally acquired DUAT, in legal terms is equal to the land rights of a community acquired by means of traditional use and occupation.

[25] *DUAT – Direito de Uso e Aproveitamento de Terra/* Land Use and Benefit Rights

While the Mozambican Land Law approach has been widely praised for its inclusive orientation and its use of participatory methods in the delimitation of 'community land' (Tanner 2001, Chilundo 2004); it has also, right from the start, been subject to criticism. Some players in the field have been concerned that the processes of land delimitation and registration are too complicated and time-consuming. Others have been critical to the extensive land-use rights given to local communities.

In Maputo, some private-sector oriented donors and politicians have been critical to aspects of the Mozambican land legislation for years. Their views in part seem to be reflected in the BAGC concept report (2010:39ff). In 2007, when an amendment to the Land Law Regulations of 1998 (Article 35) was passed through a Presidential Decree[26], it was, however, widely seen as a concession to such concerns. The amendment strengthened the central Government's role in relation to formalisation of local land rights; and was thus a move towards increased central control of the implementation of the Land Law.[27] But the Decree also implied a certain redefinition of the *nature* of community land rights. While the 1998 Regulations had given the Governor of each Province the power to formally *recognise* DUATs, the 2007 amendment means that an *approval* of such rights is necessary. The policy shift implied in the 2007 Decree has, on the one hand, been interpreted as a result of the central Government realizing that 'too much power' over crucial resources had been devolved to local people and communities through the 1997 Land Law. On the other hand, it has been interpreted as a concession to private-sector interests, as the new regulations imply restrictions on the areas local communities will in practice be able to control; thus potentially making more land available for investors, agribusiness – and maybe speculation.

PPP and the need for top-down accountability

Returning to the land assessments for the Beira corridor area and the BAGC initiative: It is not made clear what land, and whose land, is considered to be *available* for investments in commercial agriculture. If we look at the more detailed planning in the BAGC concept report, we find a small number of projects identified for an initial pilot phase. Some of these have recently been funded – with donor money. The *commercial agriculture* pilots are in fact basically located on former state-farm land. As the re-privatisation of state farms during 'structural adjustment', from 1989 onwards provided opportunities for an emerging 'business' elite of higher party officials, in the BAGC area there are actually 'absentee landowners'. Their residence is in the national or provincial capital. Each farm and plot has its own unique history of property relations and production regimes. But to my knowledge, no register of land and private landowners/land leasers in the area is publicly available. One may still assume that a 'reservoir' of former state-farm – and currently private-held – land is available for larger-scale commercial agriculture investments.

[26] *Decreto no. 50/2007,* of October 16, 2007.

[27] After the amendment of Article 35, the formalisation of land rights (DUATs) up to 1000 ha requires approval by the Governor, while a DUAT exceeding 1000 ha requires approval by the Minister of Agriculture, and a DUAT exceeding 10.000 ha requires approval by the central government's Council of Ministers (*Conselho de Ministros*).

What about the prospects for an emerging process of *new* – postcolonial – land grabbing, a process alienating local smallholders? With even minimal rates of sustainable success for new commercial farming initiatives in the Beira Corridor, a process of new 'land grabbing' can no doubt be expected. In that case, the crucial question is, in my view:

- *How* are local smallholders' interests represented and defended?

Through the Land Law? By the Government? By civil society? As I see it, Mozambique is still a one-party state – with multi-party elections. One implication is that in rural areas there are few mechanisms of top-down accountability from State and Government to local citizens. The national elections are *not* necessarily opportunities for local people to hold authorities accountable. On the contrary. There rather seems to be a tendency to reverse the 'democratic logic'. That is, for Government authorities to hold local people accountable, both at election times and in other situations when unequal access to power and resources is demonstrated, and rights and duties negotiated. In such a context, it is difficult to see how local smallholders by themselves can stand up to and match PPPs – of the powerful – for development of commercial agriculture.

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