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The role of external investors for agricultural transformation and new rural-urban connections

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Executive summary

In recent debates about rural transformation, 'land grapping' and large scale investments have often gained significant attention while smaller scale investments derived from domestic external sources have attracted faint interest. However, 'small-scale' external capital investments in rural land and farming activities are important in rural transformation processes and rural-urban connections. This report sets out to explore the nature of domestic external investments and the dynamics that these investments induce in African rural areas. The objectives of the report are three-fold: Firstly, it aims to understand the drivers and the nature of the recent increase of domestic, small-scale external land investments in rural areas. Secondly, it examines the impacts of external investment on agricultural transformation. Finally, it aims to explain how new rural-urban connections are shaping and being shaped by these processes.

The report is empirically based on four case studies conducted in four different study sites across East and West Africa. These are (1) Kwaebiberem District located in Ghana's Eastern Region, (2) Njombe Region in Southern Tanzania, (3) Kilimanjaro located in the 'northern corridor' between Monduli Mountain and Kilimajaro in Northern Tanzania, and (4) Bamboutos located in Western Cameroun. Each of these areas is characterized by having a 'dominating crop' that is widely cultivated and constitute the 'backbone' of the local economy. The four sites were chosen because they act as 'hotspots' for external investments in agriculture due to their reputation as dynamic areas for production of a particular crop. Hence, they represent certain prominent trends and processes occurring in many African rural areas dominated by a particular crop but they are not representative in a general sense.

In order to explore the drivers and nature of external investments in rural areas the report focuses on (1) the typology and the origin of the investors, (2) the land tenure and scale of land acquisitions, and (3) the types of investments and land-use undertaken by the investors.

As the types of investors in the four case studies are categorized differently it is not possible to carry out a straight forward comparison on the basis of a common typology. However, there are some clear similarities and differences, for instance concerning the investors' origin. Only in Kwaebibirem a large group of investors originate far away from the study area. A part of these are absentees living in Accra or abroad while undertaking jobs in the public sector or running their own businesses. Usually the external investors are originally from the vicinity of the study areas. In both Kwaebibirem, Njombe and Bamboutos external investors reside in nearby villages, towns or urban centres. Finally, a part of the external investors originally come from within the study areas. These can be family member investors as in the case of Kwaebibirem, where external investors who live elsewhere remit funds to family members residing in the study areas. In Kilimanjaro the external investments only come from this type of investors originating from the area. This is because the Chagga people never cede land to other ethnic groups. Consequently, those who invest in land in that area are primarily local Chaggas and the number of other types of external investors is very low.

There is also a substantial variation in terms of the scale and type of tenure arrangement that the external investors are capable of achieving. Most of the investors across the four sites invest in relatively small plots of land. In Kilimanjaro the great majority of interviewed investors have acquired land of less than 5 ha whereas the share of bigger land acquisitions is larger in the three other study areas. The investors obtain different types of tenure although the most common types are outright purchase of land and rented land.

In all the study sites the external investments are primarily directed to farming purposes. In three of the cases (Njombe, Kilimanjaro, Bamboutos) the investors prefer to invest in relatively new (annual) food crops produced predominantly for urban consumption (e.g. potatoes, tomatoes, cabbage etc.) whereas the investors in Kwaebibirem invest in traditional (perennial) crops such as oil palm and cocoa.

Concerning the impact of external investments on agricultural transformation the report focuses on (1) changes in the labour markets, (2) changes in landownership and (3) how investments impact on former land occupants. The variation between the study sites is considerable when it comes to the way labour is employed by different types of investors. It is, however, a common feature across all the study sites that investors hire labour in one form or another to work on their land - either as caretakers that continuously manage the farms or as casual labour hired in the local area. The case studies indicate that the labour intensity of investor initiated production is usually higher than that for family farmers due to the former group's financial resources to employ agricultural labourers. In that sense the influx of external investors increases the demand for agricultural labour and contributes to the creation of a larger pool of agricultural labourers.

In all the study areas the external investors either purchase the land or enter into leasehold agreements of different forms. There seems to be a general tendency towards short term and more flexible forms of tenure. However, the type of tenure is to a great extent connected to the particular type of crop that the investors decide to cultivate. Crops with shorter production and marketing cycles are suitable for short time leases. For the land owner these flexible arrangements have the advantage of generating an immediate and considerable amount of capital that can be used for other purposes, while maintaining the prospect of getting back the land in the near future. The increased interest in land acquisitions from external investors has in all study sites increased land prices and consequently it is becoming more difficult for the younger generation to access farmland in most of the study sites.

In all the study sites, the land owners have by and large had similar motivations for selling or leasing their land to external investors. It is often triggered by an immediate need for cash to pay for certain expenses for court cases, education bills, family members in need of money, etc. In such cases the money gained from ceding the land is vital to avoiding a worsening of the livelihoods for the former land occupant. In other cases, ceding of land is part of long term strategic decisions to earn income without having to carry out farm work. This income can then be re-allocated to other more profitable activities.

The literature about land grabbing often argues that large scale land acquisition typically happens at the expense of the local people who are dispossessed from their farm land. The four case studies have not identified direct dispossession apart from one outstanding case in Kwaebibirem where the chief sold some large plots to a number of external investors. While the area was not cultivated by households in the local community the land was cultivated by households in a neighbouring village which led to a conflict between the former land occupants and the external investors. Beside that particular incidence the level of conflicts associated with land transactions were less articulated in the four study areas.

The report argues that new rural urban connections are shaping and being shaped by the increased external investments and focus is put on three new types of rural-urban flows within the well-known categories, i.e. (1) flows of money, (2) flows of goods and services, and (3) flows of labour. External investments crossing rural and urban spaces is not a new phenomenon as such but what is new is the much stronger business-oriented and increasingly commercial character of the external investments. Admittedly, the degree to which 'urban capital' is fed into external agricultural investment in the study sites has not been examined systematically and longitudinally. However, according to the respondents in Kwaebibirem and Njombe, the flows of capital into agriculture are increasing due to external investments. The presence of mobile phones is considered an important driver of the increased multi-locality among external investors. The advance in communication technology is likely to increase urban-rural capital flows, as information about possible land investment is more easily communicated across distances and moreover the investors can effortlessly contact the caretakers and monitor activities on their land. Finally, mobile phones are increasingly used for financial transfers, particularly in Tanzania.

Flows of goods and services are intensified via frequent trips by external investors between rural and urban areas. These travel activities facilitate better access to 'urban goods' from rural areas, such as fertilizers and other agricultural inputs. Finally, external investments also affect labour flows in the study sites, as a large part of the investors brings in workers from outside the locality. The abundance of people doing casual labour in local small towns ('urban centres') is likely linked to the increasing lack of access to family land for the younger generation who remains residing in the study areas.

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1. Introduction

Large-scale investment in agriculture, or so-called 'land-grabbing', has recently attracted much attention and debate among researchers, NGOs and international institutions. The phenomenon increased rapidly after the financial crisis in 2008 and the more or less simultaneously occurring 'food crisis' where prices of most food crops increased considerably. Huge corporate interests and state owned companies from emerging economies started to acquire land in the global South, not least in Africa. Areas considered as 'idle' due to the non-existence of formal land titles were purchased from governments and local elites with the purpose of starting up production of food crops or biofuel feedstock for exports to the home country. Even though most estimates of the scope of land grabbing were based on rumours and anecdotes there is no doubt that substantial acreage has up to now been acquired by foreign investors in less than a decade.

While the large-scale investment has gained much attention in recent years, less interest has been devoted to smaller scale investments in agriculture originating from external sources. This report explores the types and impacts of urban and other forms of 'small-scale' external capital invested in rural land and farming activities. These investments are important for rural transformation processes and rural-urban connections. The sources of capital for these investments are savings and incomes that have been made outside the rural area in focus. The capital may arrive to the particular area as remittances from relatives, endowments brought by 'settlers' or investments by people living outside the area.

As investment in land by large-scale agribusiness has been attractive in recent years due to rising food and agricultural commodity prices, it is reasonable to assume that high food prices also encourage smaller investors to look for investment opportunities in agriculture. These capital flows are denoted as 'external investments' in this study. The purpose of the research is to explore the nature of these investments and the characteristics of the investors involved in order to better understand how these forms of rural-urban linkages are changing the rural socio-economic landscape.

In this study an *external investor* is defined by one or both of the following two criteria:

1) an individual, household or a company not residing in the site area who acquires land (by purchase or through long term agreements other than purchase, e.g. lease, borrow, etc.) for whatever purpose

2) an individual, household or a company who resides in the area but have access to substantial external funds used for land investment in the area for whatever purpose

A previous study within the framework of the Rurban Africa project[1] examined on a household basis the socio-economic dynamics in 7 different study areas in Ghana, Cameroon, and Tanzania. All of these areas are characterized by the presence of a 'dominating' agricultural crop that is widely cultivated and takes up a position as a 'backbone' in the local economy. A main result of that study is that the production of the dominating crop primarily is undertaken by wealthier households compared with household not involved in

[1] The report (D1.2) is entitled 'Agricultural transformation and socio-economic dynamics in rural areas', accessible at http://rurbanafrica.ku.dk/publications/

that particular crop. Furthermore, the process of rural transformation in the dominating crop sector is coupled with intensified rural-urban connections of capital, labour, communication, and commodity flows. It is likely that these type of areas – due to their reputation as dynamic sites for a particular crop production – act as hotspots for external investments in agriculture. Hence, rural transformation is further stimulated through for instance increasing commodification of land, change in ownership and distribution of land, and development of input and output markets.

Obviously not all rural areas in Africa experience a similar rush of incoming investments and dynamic development of markets – many areas experience depopulation and economic decline. However, as the aim of this study is to explore the types and impacts of the investment flows from the 'outside' to rural areas – and the characteristics of the people, who control these flows – these dynamic areas have been selected for further examination. Contextually the report is based on three of the study areas from the 7 study areas mentioned above – one area in Tanzania, Ghana and Cameroon, respectively – plus an additional study from Tanzania. Methodologically the research is based on what has been termed extreme or deviant case studies[2] as the study sites represent dynamic areas in which the investment flows are likely to appear. Hence, the results reported are not representative examples of what is happening in rural Africa but rather represents salient trends and processes in many rural areas where a dominating cash crop is produced.

In short, the aim of the research is to examine the nature of the investments and the dynamics that these investments may entail and not the quantitative scope of external land investments in rural Africa. The research objectives are:

- to understand the drivers and nature of the recent influx of external (domestic) land investments in rural areas
- to examine the impact of external investments on agricultural transformation processes
- to explain how new rural-urban connections are shaping and being shaped by these processes.

2. Methodology

These research objectives are developed into more operational questions in order to develop the methodology and a plan for data collection:

- *1. Who are the external investors and what are their motivations for acquiring land?*

Investors are asked basic questions about their personal situation, e.g. job history, education, family relations to the area, and some more qualitative questions about their motivations for acquiring land in the particular area in question. These data from the respondents are triangulated with questions asked to people who have ceded land in order to assess any contradictions between the information from investors and the perception of the local community. It should be noted, however, that only in a few cases the investor and the person who has ceded land are interviewed 'pairwise', i.e. the corresponding persons in a particular land transaction. Thus, in most cases the data obtained cannot be triangulated directly but has

[2] Flyvbjerg, B (2006): *"Five misunderstandings about case studies"*. Qualitative Inquiry. (2006) 12 (2) 219-245

to be evaluated through an interpretation of whether or not the data seems reliable given the other information collected.

- *2. How do the investors get access to the land?*

The study aims to contribute to the knowledge on how relationships to land changes by the influx of investments. Therefore, questions are asked to both the investors and the former land occupants about the nature of the agreements that were made between the two parties. The questions relate to the type and duration of the tenure agreement, the price of the sale/leasehold, and the parties involved. Questions are also asked about the respondents' opinions on the ease and benefits of the land deals made. Land access can be a very sensitive issue and triangulation is therefore very important.

- *3. What do the investors use the land for?*

To understand the process of land investment a key point is to understand the purpose of the investments, i.e. is the acquired land going to be used for agriculture or alternative uses. Furthermore, investments may be attracted to the area due to its reputation for producing a certain crop – or external investment may be allocated to alternative types of agricultural land use. Both types of land use have implications for labour and commodity markets (cf. the debate on jatropha plantations in the land grabbing debate).

- *4. In what way do the investments advance rural capital accumulation and encourage agricultural wage labour employment?*

It is important to understand what happens to the earnings that investors potentially make from their investments and how this will impact on employment in the area. As many of the investments are quite recent and substantial earnings therefore not yet materialized, respondents are asked about the intentional use of surplus. Will they use it for further investment in the area or use it elsewhere? The labour issue is illuminated by asking about the use and origin of hired labour and efforts to evaluate the issue qualitatively by asking both investors and other respondents.

- *5. What are the impacts on the local community (investment, employment, land conflicts)?*

All respondents are asked about the perceived impacts of external investments on the local community. As all data are qualitative no quantitative measurement of impacts is made. Thus, the interpretation is based on the respondents' narratives on their perception of the respondents.

- *6. What characterises the change in livelihoods of the land sellers?*

It is important to understand what happens to the persons who cede land. Does it entail an improvement, a worsening or a neutral change of their livelihoods? Direct data are obtained through interviews with respondents who have ceded land and triangulated with data obtained from key informants in the communities.

- *7. In what way are the external investments changing rural-urban connections?*

This question is answered trough reflections on how the external investments influence existing connections between urban and rural areas. Furthermore, the presence of investors in the rural areas may facilitate new forms of connections between the local rural area and urban areas. Again, data are qualitative, and answers are suggestive and based on interpretations of actual trends.

To answer these research questions a similar methodology has been applied in the four case studies in Ghana, Cameroon and Tanzania[3]. The data collection process was organised in three components, one for each type of respondent (investor and land ceding person) and one for key informants. A semi-structured interview guide – thematically organised by the seven research questions – was attached to each component (see appendix I). The semi-structured interview technique ensures consistency in data coverage while also allowing for individual elaborations of themes of particular interest in the given situation. The respondents were identified by using previously collected data as an entry point in combination with 'snowballing techniques'.

Component 1

The first component consists of semi-structured interviews with ideally 20-22 external investors, who have invested in land in the area. The list of external investors was constructed on the basis of three sources. First, from plantation/out-grower schemes where the administrators may have contact information on their contracted counterparts including non-residents. Second, information obtained from contacts established during the previous study based on a household survey (see above) including traders, extension service agents, public authorities etc. And third, survey respondents who have stated that they have decreased their landholdings (e.g. through sale, expiration of leasehold etc.): they can be used as entry points to get contact information on external investors. 'Snowball' sampling was complementary and added more respondents to the list. The respondents were contacted and interviews organised at convenient locations.

Component 2

The second component consists of individual interviews with local residents who have ceded parts or all of their landholdings to external investors. It was aimed to include 20-22 respondents from this group. The list of respondents was constructed by using three sources: First, the survey (see above) contained some information on smallholders decreasing landholdings[4]. Second, from contacts established during the survey, including traders, extension service agents, public authorities, etc. Third, from some of the external investors already interviewed who might have information on the landowners from whom they have acquired land. Again, 'snowballing' techniques were used to increase the number of respondents where possible. The sampling strategy ideally ensured that the 'land providers' to a large extent have ceded their land to different external investors.

Component 3

The third component consists of individual interviews with key informants (local leaders, administration, land brokers or other suitable informants). If common pool land is acquired by external investors (rather than cultivated smallholder land) representatives from responsible authorities were also interviewed. The purpose was to cover issues related to the local perception of the new investors (e.g. covering topics such as conflicts over land, employment and working conditions, labour contractors, new opportunities for businesses, compensation, etc.) as well as getting contextual information on land tenure arrangements in the area etc.

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[3] A somewhat different methodology was applied in the Kilimanjaro study (Tanzania).

[4] Respondents are not limited to smallholders selling individually owned land, but also include farmers who have ceded land on which they previously have had some kind of permanent tenure rights, e.g. community owned land, sharecropping agreements or rented land of a more permanent nature.

In all study sites the different types of respondents were interviewed to achieve complimentary information on land transactions in the area. Four different groups of researchers/assistants were responsible for collecting the data, each group for one site. As mentioned above, the fieldwork took place in the same sites as the survey on agricultural transformation, livelihoods and mobility; all sites are characterized by having one 'booming' crop that dominates the socio-economic dynamics in the area.

Table 1: Number of interviews conducted in the four study sites.

Site	Component 1	Component 2	Component 3	Time of data collection
Kwaebibirem, Ghana	24	21	8	May/June 2015
Njombe, Tanzania	14	16	4	July 2015
Kilimanjaro, Tanzania	7	2	?	June 2015
Bamboutos, Cameroon	25	25	27	August 2015

The different number of respondents in the four different field sites (see below) reflects the variation in the easiness by which respondents could be identified and accessed in the different sites. In some of the areas external investors were abundant while in others they were rather scarce. In combination with time constraints and limited resources this implies that the targeted number of respondents was not fulfilled in all sites and 'bordering' villages to the original survey site sometimes had to be included. Particularly in the Kilimanjaro area, there were no apparent 'external investors' even though transaction of land between farmers and local businessmen was widespread. But only Chagga farmers were involved in the investment in farmland due to this ethnic group's 'thick' communal ties and rights to the land. Even though the Chagga investors did not come from far away, many of them originated in neighbouring villages or had been away from the area and earned incomes in other areas of the country. Hence, the flows of capital invested in land are to a large extent between residents of the area and dominated by rural-rural flows. Anyway, the Kilimanjaro case study is included in this report to compliment the empirical material with other forms of investors and explore rural transformations in a comparative perspective.

Some other limitations concerning the data coverage is well-worth mentioning: Firstly, there is a limited number of respondents in each case study. Secondly, the number of study sites is also rather limited. Thirdly, the lack of documentation of land-deals in each site and the restrictions related to the identification of respondent means that they are non-randomly selected. This obviously affects the degree to which the data can be considered representative for each area. Finally, the scope of 'external investment' as interpreted here varied quite substantially in scope between the four sites.

Following the collection, the data were analysed and drafted in similar 'output reports' (see appendix II-VI) by each research team. These output reports sum up the main findings from each site and constitute the basis for this report.

3. Study sites

All four study areas have previously been studied within the framework of the RurbanAfrica project. Except for the Kilimanjaro site, they form part of the empirical basis for the above mentioned report "Agricultural transformation and socio-economic dynamics in rural areas". This chapter briefly outlines the main characteristics of the four study sites.

Figure 1: Location of study sites across East and West Africa.

Source: Openstreet map

Kwaebibirem - Ghana

The Ghanaian study site is located in the Kwaebibirem District in Ghana's Eastern Region, about three hours' drive from Accra. The area is part of the 'forest belt' of Ghana and receives quite a lot of precipitation which makes it favourable for oil palm and other perennial crops such as citrus and cocoa. Other main crops are cassava, maize, rice, yam, cocoyam, and plantain. Ghana's largest oil palm plantation (GOPDC) is located a few kilometres west of the study area; GOPDC was established through a state concession in 1975. While oil palm cultivation has been grown in the area for centuries (it is a native crop to West Africa), the spread of modern cultivars through out-grower schemes and by other means has increased substantially since the establishment of the plantation and today oil palm is a dominating crop in the area. Various forms of industrial and artisanal processing exist in the area: at one end of the scale GOPDC has both a modern oil palm mill as well as a refinery and palm kernel oil extraction facility. At the other end of the scale, small-scale and low-tech processing facilities (locally known as 'Cramers') have been established in abundance. In these small-scale industries most of the processing stages from reception of fresh fruit bunches to packaging of palm oil is done manually. 'Cramers' have at least a motorised pounding/threshing machine while others also have motorised presses. The crude palm oil is both sold as cooking oil to retailers and private consumers, and for further industrial processing (refinement or for soap production). In this part of Ghana there is no formal private ownership of agricultural land. Formally, land is vested within the traditional royal system and ultimately with the Okyehene (King) in Kyebi who also sets rules for land transactions. However, land is *de facto* vested in families through a matrilineal system of inheritance. Sale of land is also formally prohibited and thus leasing[5] of land and sharecropping agreements are very common.

Njombe - Tanzania

One of the Tanzanian study sites is located in Njombe Region. Two districts – Njombe and Wanging'ombe – were purposely selected from Njombe Region. From each district two villages were selected for the study: Iwungilo and Ngalanga villages were selected from Njombe District and Igagala and Ulembwe from Wanging'ombe District. The four villages were selected due to a common general boom of Irish potato production but different uses of farming technology and different distances from Njombe Town. Firstly, the villages in Njombe district are endowed with irrigation possibilities for Irish potato production while the villages in Wanging'ombe District do not have irrigation possibilities. Secondly, Ngalanga and Iwungilo are located in a relatively remote area compared to Ulembwe and Igagala. Ngalanga is the most distant village from Njombe Town (about 60 km) followed by Iwungilo (37 km). Ulembwe is the nearest village to Njombe Town (17 km) and Igagala (21 km). The latter villages are moreover positioned along a well-functioning road compared to Ngalanga and Iwungilo. The study villages cannot be defined as a 'special case' in terms of land investment in Tanzania, because there are similar areas in the country with or without irrigation that attract external investors.

Kilimanjaro – Tanzania

The other Tanzanian study site is located in the 'northern corridor' in the area between Monduli Mountain and the Kilimanjaro. One of the main features of the historical background is the differentiation of mountain farmers (mainly Chagga in Mt Kilimanjaro) and lowlands pastoralists (mainly Maasai). There are both complementarities and (increasing) competition – especially for land – between the two ethnic groups in an overall context of strong population growth.

The history of mountain farmers is strongly influenced by the development of coffee cultivation since the colonial period. Land fragmentation is a major barrier for agricultural development and the Kilimanjaro farming system and the model of development to which it refers have been in transition for more than 20 years. The farming system is no longer based on colonial commodities (coffee) but it is completely reorganized to face the boom of the commercial food sector. However, the diseconomies of scale related to the small landholdings prevent the accumulation of sufficient volume and quality to gain access to lucrative markets. An increasing number of young people do not inherit any land and rural livelihoods have become increasingly multi-occupational on the basis of rural-urban mobility.

In the lowland, the economic activities are also rapidly changing from pure pastoralism to agro-pastoralism. Increasing cultivation on grazing land and changes in land tenure from communal to individual ownership is forcing the natives (Maasai) to abandon their traditional economic activities of pure pastoralism and embark on the new ones like agro-pastoralism or engaging in business. Others migrate with their cattle to places with bigger and favourable grazing lands or to cities in search of wage employments. Tourism is also practiced but the industry is heavily dominated by foreign investors and a few rich and elite natives who own camp-sites, hunting blocks and cultural tourism canters.

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[5] Sometimes an outright sale is framed as a 99-year lease but interpreted as *de facto* land sale.

Bamboutos - Cameroon

The Cameroonian site is located in the Bamboutos Department in Western Cameroon. In this site there is a dominant production of Irish potatoes which is a relatively new phenomenon. It is partly caused by the spread of urban dietary habits to most of the population, including low income groups in both rural and urban areas. There is a marked contrast in settlement patterns where high population density rates are found at the foot of the mountain while empty spaces are found in the higher altitude areas – although the latter is in a process of rapid colonisation and densification. Even younger people are attracted to the new 'hot spot' for potato production on the mountain slopes in this part of Cameroon. The question of access to land is omnipresent and continuous, and mobility constitutes therefore a survival or existence strategy. Even though the area is covered with a high density of road infrastructure which dates back to the coffee production period, a sort of enclave nature of the zones is still pertinent due to the very bad nature of these roads. This constitute a limiting factor for an optimised exploitation of the mountain area although the Bamboutos mountain area is rich in agricultural land and one of the principal bread baskets of food and cash crops in the central African sub-region.

4. Typology of investors

Based on the data about on the external investors, four typologies of different types of investors have been constructed in each area, i.e. each research team has developed a categorization. The typologies developed were those that seemed logical for each research team and therefore there is no straightforward comparability between the 'structuring variable' chosen to create the categories. Thus, direct comparison between different sites on the basis of the typologies is relatively difficult. However, there are some important similarities and differences between the types of investors in the four different areas. The following section is structured according to the following themes: origin of investors, land tenure and scale, and type of investment and land use (see below).

Table 2: Typologies of investors.

Site	Structuring variable	Type
Kwaebibirem, Ghana	**Investor's personal relationship to the area**	**Newcomer Resident Farmer**: A farmer who does not originate from the area but settles and invests in agriculture using capital he has saved up from earnings elsewhere. Typically, smaller incremental investments. Rarely buys land outright but lease through sharecropping agreements. Often attracted to the area by word of mouth through relations or acquaintances. Depending on the size of the investment he might bring with labour from the area where he originates.
		Family member investor: A person who has close family relations to the site of the investment (he comes from the area). If he is absent himself usually family members manage the land. Usually medium sized investments. His motivations are often to help his family members out or to have some land to live off when he retires from his salaried employment.
		Absentee farmer: This type of investor lives elsewhere but has acquired farmland in the case study area. Usually the investments are larger and land is often acquired via town chiefs on full long lease terms.
Njombe	**Investor's main sector activity**	**Business person:** group of investors who invested in land in different areas in the villages, they have different business in Njombe town. The average age of this group of investors is 49 years. Moreover, investment in land to them is regarded as the diversification of the income sources. Because of the main purpose of the investment is to increase the diversification of the income sources they own the plot by rent and/or buying. The main source of information about the land are Friends who staying at the village, Members of the family who living at the village, being a business man in the village (i.e. Irish potato broker at the village). Majority of Business person interviewed (80%) consider the value of land to increase in the future due to:- Availability of the irrigation opportunities, Change in the economy increasing of interest of more investor to invest in potato, many people are investing in land now days.
		Employee: Group of investors who are employee (public and private) decided to invest in land in the villages. The average age of this group of investors is 39 years. The main purpose of investment is to increase the household asset owned by the household, hence they have invested land in more than one places in the rural areas. In most case they own the plot invested in the rural area, few rent the plots invested. The main source of information about the land are fellow worker at my working place, Relatives who live at the village, used to work at the village as employee, develop interest after visiting the village. Majority of the interviewed employee (80%) consider the value of the land in the rural area will increase sin future. The following are considered to be the main reason for the value of land to increase; High demand of the land in the area, increase of investors in the

		village and potential for irrigation.
		Farmer: This is the group of investors who investing on land in the other village and their main occupation is farming. The average age of this group of investors is 37 years. They decided to invest in the land in the other area due o the existing opportunities (i.e. irrigation opportunities). The main purpose of the investment is the increasing the productivity of the agriculture. Most of they own the land by renting for short period of time. Source of information about the land based on Friends (fellow farmer) who are cultivating in the village, Relatives reside in the village. Only 50% of the interviewed farmers consider the value of the land will increase in future.
Kilimanjaro, Tanzania	**Business profile of the investor**	**Farmer.** A farmer is generally associated with a relative or a friend in order to rent land in addition to the land he or they inherited and which is too small to sustain their livelihood. The location of the plot is not far from the foot of the mountain where they are used to living, and/or is in the nearest semi-arid lowlands (Rundugaï). The price is fixed according to the geographical location, to the access or not to the water. In Machame (coffee-banana belt) for one growing season (from planting to harvesting, 5 months in average), renting two acres costs 150 000 Tsh (75€) + the charges after the harvest. In Boma N'gombe (in the plain), it is less expansive (100 000 Tsh without charges). The owner preferred to rent on the basis of a fixed price instead of a percentage of production. Generally, the agreement of the Village Council is requested. There is no formal "contractualisation" of the exchanges. Farmers may invest in 2-5 acres renting a year: the cost is roughly between 40 000 Tsh[6] (untilled land) to 80 000 Tsh (ploughed land) and to 150 000 (irrigated land) per acre and per season. Payment is made in cash, sometimes in kind.
		Farmer-businessman. A farmer-businessman generally rents more land (5 to 15 acres even more) in Kilimanjaro region and rents or buy pieces of land (>20 acres) for farming far away (Iringa, Mkata) and plots in town for settlement (Tanga, Dar es Salaam). Both of the categories use different ways to get money for the investment, but the main way is the savings they accumulated from coffee, petty jobs, business…
Bamboutos, Cameroon	**Type of land use and family relations**	**Investors, who let family members use the land.** Most of them live in the towns but usually come to the village for celebrations and some of them have built on certain portions of these lands. They usually support their family members with farm inputs during the production season for taking care of the built up areas during their absence. They might or have eventually opened production units but without effective management, these units have died down or not operating to full capacity.

[6] 20€

		Investors investing in cash crop production. There are not many of such investors but their production units are highly specialised in cash crop production especially Irish potatoes. Their output approximates 15 tons per hectare and they exploit production units of two to three ha maximum. Last year's sale estimate for one of such farms totalled about 2.5 million Fcfa without taking into consideration what was selected and kept aside for the next season seed store and what was to be consumed. Most of these individuals live in town but recruit a specialised technician or a confident family member to take care of his investments in the village.
		Investors investing in livestock. In Babadjou, an individual owns about a hundred hectares of land for cattle rearing too but due to theft and the constant conflicts with the local population for agricultural land, this unit has been reducing their investments. A vast portion of these lands are being rented out to interested farmers. In the Bangang area, surfaces of about 07 hectares were owned and exploited by a single individual with a minimum of 80 cattle per given moment. They began such projects with a lot of optimism but due to inadequate management, the amount of livestock upon them and investments have gradually been either reduced or geared towards other forms of exploitation.
		Investors investing in tree crops. This group of individuals were first of all engaged in the livestock industry but have gradually been reducing their stock for the implantation of avocado or pear tree plantations. Due to constant thefts, pest outbreaks and mismanagement of most farms, future perspectives for tree crops have pushed most investors to divert into the implantation of tree crops. An individual in the Bangang area has already planted 07 hectares and still aspires to increase the farm.
		Pensioners. After work in the towns and cities, certain individuals after their retirement return home to keep themselves busy and profit from the tranquillity provided by the rural area. This group of pensioners are important investors because more often than not, their farms register one of the greatest success stories as far as agricultural production units are concerned. They have enough time to consecrate in their farms and with capital accumulated during their working days, they recruit about 5 permanent workers and as much temporal workers as they can all year.
		Housing investors Another group of investors and the most pertinent are medium or small scale investors with multiple houses between the divisional headquarter and the villages they have invested upon (double or multi-residential investors). They have motorbikes or cars to help them travel between these distances. They own commercial businesses or are involve in the transport sector in towns and during the production seasons they employ permanent and casual workers in these farms and commute between about three areas for their activities. They are highly mobile because their activities permit them to be present to better coordinate work and they are those individuals who have open markets for agricultural goods in the central

		African sub-region.
		Habitat investors. The last group of investors are those who have invested in the construction of either grandiose villas in the village milieu coupled with those who have built commercial centres for rent. Most rural areas are growing fast thus the need to put in place social and economic infrastructures to house and entertain the new comers who move into the area or are transferred by the administration into the area.

4.a. Origin of investors

The four study sites vary significantly in terms of where the investors come from. Only in the Ghanaian site there seems to be a larger group of investors coming from more distant areas. For most study sites investors are mainly coming from the area in question or from the vicinity. For the Kilimanjaro site this is attributable to the land shortage and the strong ethnic ties to land by Chagga people. In the Bamboutos site it is also attributed to the strong pressure on land resources.

Coming from 'far away'

The Kwaebibirem site (Ghana) is the only one of the four sites with a large group of investors coming from locations far away from the area. Some of the investors are absentee owners who live far away, for instance in Accra or abroad; others live in the vicinity of the area, for instance in Kadé (the district capital). The investors will often have jobs in the public sector or have a business of their own whether large or small. The "newcomer resident" farmer is an individual who originates from another area but has moved to the study site because of more available land or because of personal relationships (relatives, friends). Some respondents note that they have heard about amble land in the study site and that this is the reason to settle. Others move because of marriage or because of a new job in the area, bringing in savings from previous employment or agricultural activities.

Coming from the vicinity of the study area

More commonly external investors originate from the region in question. In Kwaebibirem, these investors may be absentee farmers but also some of the newcomer investor farmers. Many of the absentee farmers are residents in nearby towns such as Kadé or Akwatia and have portfolio of investments in agriculture or mining spanning several locations and including localities in the study area. In Njombe, the majority of external investors are people from Njombe Town, which is the nearest urban centre and the Regional Headquarter. Generally, investors are relatively young (around late 30s to late 40s) compared to the majority of farmers and with primary to secondary level education. However, some investors are from neighbouring villages. Profits from investments in the villages was generally an additional source of income for most of the investors who usually have their main occupation in formal employment, running a business in town or farming in other rural areas. In Bamboutos a similar pattern applies to a large extent. Thus, the external investors can be seen as 'natives' of the area but residents in towns or nearby villages. Some are actually having two areas of residence and have invested in certain farm-based activities in their village or areas of origin. Clearly, foreign investors are inexistent in the proper sense of the word in the Bamboutos site.

Coming from the area

In Kwaebibirem the family member investor is a person who either lives near the study site or another place, but nevertheless has close ties to the study site because he originates from there or has close family who lives there. Roughly the investors can be divided into two groups: one group of people who are living elsewhere but remitting funds for their family members to make investments (either on their behalf or 'for the family'). A second group of people have been away from the area (possibly abroad) for some time, earned salaries and later returned to the area to invest their savings in land. In Bamboutos many of the investors are also natives from the area but have moved to towns or cities for non-farm work. Later they acquire land in the study area for themselves or their family. In Kilimanjaro, the Chagga people never cede their land to other ethnic groups and land remains in Chagga ownership. This does not preclude that some people invest in land and/or temporarily cede their land, but mainly through renting it out to other Chagga people. There are very few external investors: those who invest in land are primarily local Chaggas.

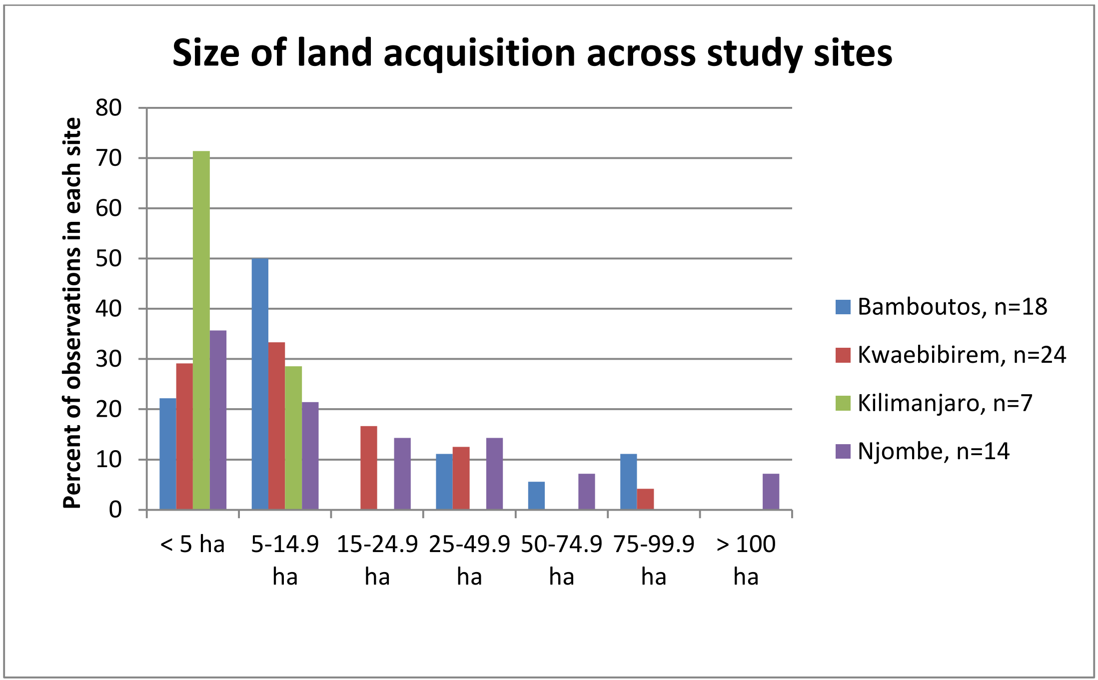
4.b. Land tenure and scale of acquisitions

Not surprisingly, there is a huge variation in terms of the scale of investment and the type of tenure agreement that the investors are able to obtain in the four study sites. Most of the interviewed investors (across all sites) were investing in relatively small plots (less than 15 ha). Few investors have acquired more than 50 ha of land and none has been identified in the Kilimanjaro site where all land acquired is less than 15 ha.

Table 3: Distributions of size of land acquisitions across the four study sites

Site	Range of land of total land acquisition by investors
Kwaebibirem	2 - 85 ha
Bamboutos	< 5 - 100 ha
Njombe	0,4 - 124 ha
Kilimanjaro	0,4 - 12 ha

Figure 2: Distributions of size of land acquisitions across the four study sites



Note: The intervals are based on the data from the Bamboutos site which were reported in the above intervals. Seven observations without data on size results in a lower number of observations from the Bamboutos site

In Kwaebibirem the size of land and the type of tenure is highly dependent on the type of investor. The newcomer resident farmers, perhaps due to a lack of direct family ties, are usually only able to acquire land through sharecropping agreements according to which they pay a lump sum, carry the costs of cultivating either cocoa or oil palm and provides the land owner with a share of the harvest as prescribed by either the 'abunu' or the 'abusa' sharecropping agreement. Sometimes outright sale (or 99-year lease) also happens but mainly through the local town chief. This type of farmer usually cultivates and controls a limited acreage of land. Surprisingly, short leases were not found for this group of investors[7]. Many of the farmers in this category had started with a small plot and year by year gradually increased the amount of land investments.

The family member investor has, on average, the smallest size of land acquisitions. However, the share of bought land is higher compared to the newcomer resident farmer. This indicates that the family member investor either has different preferences for land acquisition or more knowledge and better access to

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[7] These farmers correspond very well to the description provided by the literature on frontier development in Ghana. Throughout the 19th and 20th centuries the cocoa cultivation expanded through the forest belt of Southern Ghana. Migrants from the East and later Northern parts of the country (and neighbouring countries) would settle, work for landowners or acquire land for themselves by town chiefs. As Amanor (2010) notes, historically, this has led to an alienation from the land of local sons and daughters. Evidently, this is a process that continues to this day, even though the area today hardly can be described as 'frontier'.
Amanor, K. (2010): "*Family values, land sales and agricultural commodification in South-Eastern Ghana*." Africa 80.01 (2010): 104-125

people who are willing to sell land (although the data itself does not suggest that landowners are less inclined to sell land to 'outsiders' than to 'locals'). The absentee farmers generally have acquired much more land than the other types of investors and (on average) spend much more money on land acquisitions than the other types. However, compensation given to land owners who hand over land related to a mining concession is much higher than the prices paid for a sharecropping agreement or a land sale. In principle the compensation given to farmers should reflect the loss the farmers' incurred income over long-term period. However, this form of compensation is often higher than the price of leasing land for 99 years, indicating that land prices are much more a result of the interests and negotiation power of the contracting parties than a result of market forces. Hence, the compensation paid by two respondents in Kwaebibirem who acquired mining land raise the average land price significantly.

In Bamboutos, the most common forms of tenure are bought land and rented land. The price of land also varies depending on the location and nearness to social and infrastructural services. For rented land, the arrangements are always settled between the land owner and the interested individual, and cash is paid for the use of a given parcel. The agreement is renewable after every production season or a certain number of years; it depends on the financial capacity of the 'buyer' and the needs of the person who hires out land. Most investments are of a relatively small size but a few investors who acquire land for livestock has obtained larger tracts of land up to 100 hectares. Due to the land use intensity of the other forms of investments (land for housing, cash crops, tree crops) these acquisitions tend to be smaller in scale.

In Njombe, external investors can be broadly categorized according to the way they access land owners in rural villages: investors who buy land and investors who rent land. Land owners are residents of the villages with relatively more land or less household labour than the average in the village and their main occupation is farming. Those who buy land invest in tree plantings for timber (long term investment) whereas those who lease land focus on annual crops, mostly Irish potato (short term investment). There is a difference between the two sites however: in the more distant villages from Njombe Town (Nangalanga and Iwungilo), the land is less scarce and village land is available for large scale external investments, which attracts investors from outside the village - often from Njombe Town or other urban areas. In the villages closer to Njombe Town there is a scarcity of land and the land transactions seem mostly to involve a few acres of land that are being leased by farmers from within the villages or from nearby/neighbouring villages.

Like in Njombe and Bamboutos, the crops primarily produced in the Kilimanjaro site are labour intensive and thus tend to be produced on small plots. Except for the Marangu area where land could be acquired to build hotels and tourism facilities, land investment in rural areas is for farming. There are no differences between the two investor categories.

4.c. Type of investment and land use

In all the study sites external investments are mainly intended for farming purposes. A common trait between the two Tanzanian sites and the Cameroonian site is that the preferred crops by the investors are the 'relatively new' food cash crops intended for (primarily) urban consumption such as potatoes, tomatoes, cabbage etc. In Ghana however, the main crops for investment are still the 'traditional' cash crops like oil palm and cocoa. Thus there is no apparent difference between the preferred crops of external investors and the predominant crops in the area. External investors also acquire land for other purposes (e.g. mining and construction) but to a much lesser degree than farming.

In the Kwaebibirem site there is no significant difference between the different types of investors in terms of preferred crops for cultivation. The choice between cocoa and oil palm mainly depends on the physical properties of the land. However, many of the absentee farmers prefer oil palm cultivation because they can sell their produce to the GOPDC (the plantation company) and receive electronic payments. They are attracted by this 'security' in the market. On the other hand, other investors consider that cocoa, a politically important crop for the country, is a comparably secure crop: traditionally, the government has continued to support cocoa farmers in case of falling prices. The Kwaebibirem site differs from the other study sites because a lot of small-scale mining companies acquire land for alluvial gold mining along the Bibirem River.

In Bamboutos some of the investors buy land for future speculative purposes, some buy to secure their children (a long term investment) while others buy land with the purpose of initiating construction projects. Such investments take the form of educational, social (health centres) or religious institutions, businesses premises, and hotels - although many also build a residence. The most important projects are started for economic reasons though educational centres have been taking the lead in recent years. The acquisition of land has incorporated the trends from urban areas and the financial means available dictates the possible use of land; hence, agricultural use has fast been losing ground. Anyway, land use is highly diversified with food crops like maize, beans, pumpkin, soybean and okra as well as gardening crops or cash crops like Irish potatoes, tomatoes, celery, cabbages, broccoli, Chinese leafs, onions, spring onions, pepper and sweet pepper etc. being popular. Preferred tree crops include pears, guava, mangoes, plumes coupled with a few exotic fruits. There is no significant difference between the crop portfolio of external investors and 'local' farmers.

In Kilimanjaro there are neither differences between the land use by the investors and the local farmers. Tomato, a "fast growing, fast selling" crop is the so called "emerging" crop even if the production has started more than 15 years ago. Tomato production is often associated with other vegetables (cabbage, pepper, onions) for marketing and maize for domestic consumption. In Njombe the main land use change is planting of trees and other annual crops on fallow land by land investors.

5. Rural transformations: labour and land

The following chapters deal with the local dynamics that are induced by the external investments. This chapter focuses on the consequences for labour and land tenure while subsequent chapters will discuss the impacts of external investments on households who ceded land and how local conflicts were initiated and affected.

5.a. Changes in the labour market

Huge variations prevail between the study sites in the way labour is being employed by the different types of investors; it depends on the type of land use and scope of the investment. It is however common across all sites that the investors hire labour in one form or the other to work on their acquired land. In some areas it is mainly in the form of casual labour or farm hands that are available in the local labour market. In other cases, investors may hire caretakers to look after the land on a more continuous basis. It is also fair to assume that the labour intensity of investor initiated production is generally higher than that of the family farmers in the study sites, because the investors' financial means to employ labour are higher than the resources usually available for family farmers. Thus it is likely that the influx of investors will increase the demand for farm labour in the rural areas.

In Kwaebibirem, the absentee investors in particular were able to obtain larger tracts of land that had not been previously developed for agriculture. The land was taken over after direct negotiation with the local chieftaincy (town chief). In this case, the investment obviously entails an increasing use of labour in the area. It is a shared view among the respondents that the external investors usually have more working capital available and that they therefore can afford to employ more labour for weeding and pruning (e.g. for oil palm production) on their farms. Also, many of those people who cede land do so because they can no longer work on the land themselves: none of the respondents among the land sellers had started to work for the new land owners in any capacity. Thus, the increasing use of farmhands does not involve the (former or present) land owners. The external investors either use local farmhands for the work or they bring labour from a nearby town (e.g. Kadé), the reason being that casual labour is more expensive in the village where their land is located. Thereby external investment may cause a trend towards an increasingly mobile rural labour force as the networks of the external investors are used to secure labour from outside the particular locality of their farmland.

There are differences in the way different types of investors employ labour. The family member investors usually have their family members manage the production on smaller plots but may hire extra hands seasonally. The newcomer investor relies much on his own family labour. However, one respondent had brought employees from his previous place of employment. Absentee farmers will often have permanent employed caretakers to manage the land, especially if the investor lives at a distant location. If the absentee investor lives relatively near the land, he often manages the land himself and hires labour when it is time for e.g. pruning or weeding.

In Njombe, investments by external investors create rural employment opportunities not only in the study sites but also in neighbouring villages. This is more pronounced in the areas with irrigation opportunities where seasonal labour is hired throughout the year. Here local farmers are too busy with the work on their own farms and labour from outside is therefore in high demand. Labour primarily comes from nearby villages or sometimes even from towns further away such as Mufindi or Mafinga. Interestingly, in the villages closer to Njombe Town, where external investment seems to be less pronounced, migrant labour is not commonly found.

The Kilimanjaro site differs from the others as the area attracts migrant farm labour. The investment in land of both local and absentee farmer-business men has attracted labour from distant places, especially from the poor areas of central Tanzania. The Kilimanjaro area remains one of the most attractive areas for workers who look for jobs in agriculture.

In Bamboutos it is also very common to hire farm labour. The majority of the investors hire 4-8 labourers to work on their land, and half of the investors hire caretakers to continuously manage the farms. Thus the shared view among the respondents is that the presence of the investors creates jobs.

5.b. Changes in land ownership

In all the study sites the investors acquire land through sale of land and a large variety of leasehold agreements. The type of tenure is highly contingent on which type of crops the investors want to produce. For instance, in the two Tanzanian sites, short term leases of one or a few years dominate the form of land acquisition because fast-growing and fast-earning crops are well-suited for shorter leases and for a larger segment of investors who do not control substantial purchasing power. Furthermore, the leasehold allows the land owner to obtain an immediate and substantial sum of money that can be allocated to various purposes while at the same time retaining future access to land. In all study sites prices of land have increased in that particular area and in Kwaebibirem, Bamboutos, and Kilimanjaro it has become more difficult for the younger generation to access farmland. Overall there seems to be a tendency towards short-term and more flexible types of tenure.

In Kwaebibirem, sharecropping deals are the most frequent modes of entry for external investments in land but in terms of acreage outright sale or long-lease is the most dominant form of investment. It is much more expensive to buy land outright than to engage in sharecropping agreements. However, given the fact that the abunu and abusa sharecropping systems used to be a form of agreement where the tenant did not pay anything but the fruits of his labour, this institution has now changed dramatically into something from which landowners obtain immediate payments through a 'token': only one respondent had engaged in a sharecropping agreement without demanding a token from the tenant. The respondents note that GOPDC (the large plantation) – through its engagement in out-grower schemes – has been instrumental in terms of institutionalising the 'abusa' agreement for oil palm in the area. Important changes in recent years has been the reduction of the lease period for oil palm land from 25 years to 18 years and that 'tokens' paid by the tenants to the landowner have increased to a substantial amount. Also, it is less common to divide the plot so that land owners and the tenants harvest each their plot. Instead it is increasingly common to simply divide the proceedings of the sale of the fruit although the landowner will often be present during harvest to check if everything goes according to the agreement.

Hence it is getting increasingly difficult for younger family members to inherit land as it is being ceded to outsiders or other individuals who have capital to invest. This has previously been attributed to the increasing profitability of oil palm cultivation that resulted in accumulation of land among wealthier farmers and a simultaneous creation of a large group of young farmer dispossessed from land[8]. This study confirms that migration still plays a dominant role in this process: migration of settling farmers has not stopped although land has become less 'frontier-like'. People still settle and acquire access to land primarily through sharecropping agreements but now remittances and extra-local livelihood activities are important to raise cash for investments in land. However, there are still large patches of land that may be acquired through the town chiefs but this form of land acquisition creates tensions as people may be directly dispossessed of their livelihoods. Land prices vary greatly between transactions although there is a trend towards a general inverse relationship between price pr. acre and size of the plot.

[8] Amanor, K. (2010): "*Family values, land sales and agricultural commodification in South-Eastern Ghana*." Africa 80.01 (2010): 104-125

In Njombe, methods for acquiring land in the villages are varied but often investors use their social networks as the initial source of information about availability of land is usually friends, co-workers and/or relatives residing in the villages. Involvement in businesses such as buying crops or government employment also provides opportunities for getting information about availability of land; some of the local crop traders actually take up a parallel role as ‘land brokers’ because they obtain an intimate knowledge of persons who potentially would sell or lease out land through their commercial network. The most common form of land acquisition is by leasing where the investor and land owner agree on the terms and conditions. Often no written contract is issued and the agreement is based on trust and social capital among the interested parties. Basically an agreement specifies area, duration and price. The village government is involved only in the case of outright land sales where a fee has to be paid for the transfer of land ownership; a written formal document is issued. In general, the area of sold land is smaller compared to the land which is leased: land owners reported land under lease as high as 9 acres while the largest land sold was only 3 acres. According to the three land owners who sold land and the thirteen farmers who leased out part of their land, the price of land was about Tsh. 500,000 and Tsh. 100,000 per acre, respectively[9]. Often land owners lease out land for short durations (1-2 years) to solve immediate household financial constraints while anticipating to take back the land again for own future use. The income is mostly used for paying school fees, buying agricultural inputs and household consumer goods, renovation of houses, and capital for non-farm economic activities.

For farmers in Kilimanjaro, the territorial enclosure specific to the highlands of East Africa marks ‘the end of the land’ and rules out a flexible choice of crops and orientation of productive investment. The patrimonial logjam – with fathers keeping their hold over land planted with coffee trees and benefiting from the income until their death – has helped to turn younger people away from that crop and into “fast growing and fast selling crops” as for instance tomatoes. The new system has not affected the land ownership, but through land leasing, access to land has becomes more flexible: there is no need to own land as farming takes place mainly on a seasonal basis. Hence, renting land permanently or for one or two growing seasons in order to grow e.g. vegetables is more and more common. This implies that people who want to rent a piece of land have to move from their homeland and adapt a highly flexible attitude to their basis for production. The Chagga farmers-businessmen may lease land as far away as Babati which is more than two hundred kilometres from Kilimanjaro on the road to Dodoma. They also lease land even further away, for instance in Iringa region, to grow tomatoes when it is the right season there and then return to Kilimanjaro when the season is better here.

In Bamboutos, change of land ownership may be either ‘forced’ or ’voluntary’. In the first instance, the owner of the land is forced to sell land due to problems or fear of losing everything. In Babadjou for example, certain individuals are selling their land holdings because rumours were spreading that an influential family claimed ownership of a particular tract of land. Another person in the same area sold land because of simple theft of crops in the harvest period. These situations, however, are rare compared to the most pertinent type which is sale of land due to acute monetary and financial needs caused by unforeseen events. This type of land sales has become much more common in recent years compared to a few decades ago but now the transfer of ownership has increased. The land is mostly being sold by the local villages to

[9] 1 USD approximately = Tsh. 2,170

indigenes of the same area though the buyers are based in the towns. These transactions have progressively increased the price of land which may cause management problems for the future generations and reinforce the rural exodus which is already a serious problem.

6. Impacts on former land occupants

In the land grabbing literature, it is argued that large scale acquisition of land often happens at the expense of local people who lose access to land or experience other forms of detrimental impacts due to new forms of land use. In the four study sites, direct dispossession has not been identified except for a unique case in Kwaebibirem (see below). However, it is a common and widespread phenomenon that the ceding of land occurs due to an acute need for cash to cover various expenses. These expenses are necessary to pay in order to avoid a deterioration of the former land occupant's future livelihoods. Or they are actual results of strategic decisions that are taken in order to improve the former land occupant's position by re-allocating the earnings from land sale or lease to investments in new and more remunerative production activities.

In Kwaebibirem the causes for ceding land to external investors is either an immediate necessity for getting cash or a long-term plan to ensure an income without having to carry out farm work. As for the first cause, it is often triggered by an urgent need for money to pay for court cases, education bills, or support to family members who need money for one or the other reason. In most of these cases those who have ceded land do not engage in any new income activity afterwards but simply continue to cultivate the remaining farmland or the other activities in which they are involved. Only one respondent explicitly stated that she had begun petty trading due to the loss of farmland. Note that most of the former land occupants continue to own the land and often supplement with income from the sharecropping agreements. Another group are ceding the land rather as a strategy for future income generation. These people often have larger patches of land at their disposal but cannot effectively manage all the land themselves or may lack sufficient working capital to develop the land. Therefore, they look for less capital constrained investors who are interested in entering sharecropping agreements with them.

Similar to Kwaebibirem land owners in Njombe, Kilimanjaro and Bamboutos have the same motivations for selling/leasing land to external investors, i.e. shortage of financial resources to cover household expenses. Land owners therefore sell or lease only parts of their land. In Kilimanjaro, some people have land that they are not able to cultivate because they are too old, they have a job or business in town, they do not have the capacity to invest, etc. In these cases, they are ready to lease out land, preferably to relatives. For example, a young man in Machame inherited land which is too small but has been offered to lease two acres from his aunt and start growing tomatoes. The land owners benefit from the lease through the rent but also through improved land use and land management practices. Sometimes land owners are employed by the investors as workers on their own land.

Likewise, in Bamboutos, sales of land take place in a context of acute financial and economic crisis due to expenses to send children to school, medical bills, arrange a funeral or other village traditions, avoid problems with neighbours (or the neighbouring villages). Strategic sales are motivated by the desire to exchange small patches of land in the high-value area with agricultural land in the productive mountain areas while a possible surplus is spent on improving the living standard. Sometimes the decision to finance another business (trade or transport) necessitates the sale of land. Finally, the heirs of farmland may decide to sell the land and divide the money among them instead of taking over tine plots of fragmented land.

Land owners in Njombe consider themselves as the primary beneficiaries of external investments in the case of leasing agreements because of the (seasonal) income generated. The lease of land can be terminated whenever the land owner is capable of managing the land again and the land owner may acquire new agricultural knowledge and skills. However, in the case of land purchase and sale it is not the former land owners who benefit directly but rather local brokers and agricultural business men who handle the increased production. If the investor family settle in the village where land is acquired the also increase demand for consumer goods and food which stimulate local businesses.

7. Conflicts

In all study areas (except Kilimanjaro) land conflicts were associated with the influx of investors. Conflicts over 'borderlands' are common both in Kwaebibirem, Bamboutos and Njombe. More substantial conflicts were only present in Kwaebibirem and only associated with the acquisition of larger plots under the authority of the chiefs. In the transactions between family land owners and investors, conflicts were less articulated.

The major land conflict in Kwaebibirem involves a few of the investors. The chief in Tweapease sold some large tracts of land to a number of external investors in the area. According to the chief, the land was not used by the families in the Tweapease community, and since it was part of Tweapease land it was up to him to decide how to handle the land. However, the land was occupied and farmed by people from the neighbouring village[10]. The conflict escalated after the new land owners claimed their right to the land and developed into violence, theft, police interference, involvement of private security guards, and finally a 'court case' at the Okyehene's office. The external investors tried to mitigate the conflict by compensating the former land occupants for their lost crops, and also refused to claim all the land. This case illustrates that land rights are much contested, and that multiple claims and authorities can preside over the same piece of land. It also indicates that the chief's authority over land is the source of most conflicts as no sales between families and investors in the area seemed to cause any major conflicts. These more limited conflicts concern the sharecropping agreements between land-owners and tenants, and relate to the perceived mismanagement of the terms of the (often oral) contract between the two parties. These disputes can be about the obligation to share food crops (until the oil palm and cocoa plantation has matured), disagreement about when the investment should start, what should happen after the lease period (can the agreement be renegotiated?), etc.

In Njombe there are certain general sources of conflicts that result from land landowners selling and/or leasing land to external investors in the villages. One is that some investors apply chemical fertilizers which are harmful to land/soil in the long run. Another is based on the difficult identification of filed boundaries.

[10] These farmers were called 'squatters' by the respondents indicating that they had no right to the land.

This is because most land is un-surveyed and field boundaries are identified by physical structures e.g. trees ant hills, and neighbouring fields. There are cases where external investors either intentionally or unintentionally violate the field boundaries, resulting in conflict with neighbouring land owners. Other sources of conflict occur due to violations of trust, for instance when a land owner dies. Since agreements are made through trust without a written contract, an external investor can decide to cheat the family members of the land owner by stating that the land was sold to him instead of actually being leased.

The Bamboutos region as a whole is principally peaceful and most investors are received with open minds although their actions are sometimes sources of problems. Most of these investors exploit fertile and extensive agricultural lands but no viable socio-economic or infrastructural amenities are constructed to compensate the indigenous population who traditionally lived in the area. In the Bamboutos site two external investors based in nearby towns have acquired land on the mountain plateau. The Cameroonian government has demarcated that area as grazing land which is not a common activity in the area; it is dominated by smallholder farmers. The investors, however, acquired the land for livestock rearing even though the land has been claimed by neighbouring villages for farming. This encroaching by the investors resulted in hostilities between farming communities and the investors who recently have changed the land use from livestock rearing into orchard production of mainly avocado. This is seen as a more socially sustainable from of production in the area which has high population pressure and thus benefits from a more labour intensive agricultural production.

In Kilimanjaro, there are very few conflicts associated with land transactions. Some respondents actually claim that there is no competition for agricultural land whereas the competition is much higher in urban areas as new investors start competing activities like coffee shops in Moshi.

8. Rural-urban connections

As outlined in the previous sections the external investments constitute new rural-urban connections as individuals spread their economic activities across rural and urban spheres. This is not a new phenomenon: people have always migrated and settled in new places and to various degrees invested in agriculture. What is new is the the business-oriented and highly commercial nature of the recent external investments in agriculture. Agriculture is considered as a profitable activity for investment by medium-scale businessmen. Three types of rural-urban flows are particularly related to external investors, namely flows of money, flows of goods and services, and flows of labour.

Flows of capital
It is difficult determine to which degree the flow of ‘urban’ capital to landed investment is increasing in the study sites as this has not been examined systematically and longitudinally. In Kwaebibirem and Njombe respondents consider the flows of capital into agriculture to be increasing due to the activities of external investors, simply because they have a larger amount of working capital at their disposal. Flows of money (income) from urban to rural areas are mainly used to cover costs for labour and agricultural inputs. Improved communication channels based on mobile phones are likely to facilitate urban-rural capital flows when information on possible areas for investments spread between people. Apart from facilitating the

land deals, mobile phones also make it easier to manage production from a distance: investors can easily contact caretakers or other staff. Furthermore, in Tanzania most financial transactions today are facilitated by mobile money transfer. The Kilimanjaro region is entering into a 'post-coffee' era with new emerging agricultural chains that are well connected to urban markets, e.g. the tomato chain that is the main basis for activities of Kwa Sa Dala market, located 20 km away from Moshi town. The countryside is now very well connected to the urban centres not least due to improved road infrastructure.

Flows of goods and services
When investors travel between different rural and urban areas they facilitate a better access to 'urban' goods in the local areas. In Njombe there is an increased use of ('urban') agricultural inputs as a result of external investors. The same happens in Kwaebibirem where bulk supplies of fertilizers and other goods are more accessible for people in the rural sites. Reverse flows are also observed: rural people have easier access to educational as well as health services in urban areas due to improved infrastructure, especially for those employed by the external investors.

Flows of labour
In Kwaebibirem, many of the external investors bring labour from outside the study areas to work on their acquired land. For instance, an investor drives a truck from Kadé (or wherever they reside) and arrange for labour to be transported for work on the farm. This way external investment may increase the influx of casual labour to an area. Observers[11] explain the excessive availability of casual farm labour in the local towns to the lack of access to family land by younger generations. Hence, perhaps the labourers available for hire in towns like Asuom or Kadé are the sons of rural inhabitants and the 'urban sphere' thereby becomes a catalyst for rural-rural migration.

9. Conclusions

The aim of this report is to give a comprehensive account of the empirical findings of four case studies on 'external investment' in land. The land investments are all located in rural sites with a presence of a so-called 'dominating crop'. The ambition was to explore what drives the investment in land in rural areas, what are the urban or extra-local sources of these investments, and what are the impacts of these investments on particular localities. Due to slightly different data collection methods and a relatively limited scope of each case study, a strict comparison of the study sites is not possible. However, various examples presented in the report point to the variety of the investments and the contingencies related to local factors.

Even though a longitudinal and quantitative measure of investments is unavailable, the data points to an increasing influx of investment in land, which together with rising land prices change the tenure systems in the areas. More flexible forms of land tenure agreements between land owners and investors facilitate

[11] Amanor, K. (2010): "*Family values, land sales and agricultural commodification in South-Eastern Ghana*." Africa 80.01 (2010): 104-125

investment in land on a smaller scale. The increasing improvement of communication channels between rural and urban areas is likely to facilitate the process in which extra-local investors acquire land for farming. It is clear that the rural areas that have been examined are not spaces of deteriorating productivity and simple source for outmigration but rather sites where capitalist farmers are attracted to invest and make a profit. The key findings of the report are the following:

- There is a clear upward trend of land prices in the study areas. The real trends are unexplored quantitatively but the causes are most likely attributable to increasing population pressure and increasing profitability of agricultural production in the specific study areas, in particular in areas with certain competitive advantages like irrigation systems. Apparently the external investors contribute to the upward trend – in turn making it more difficult for indigenous children to inherit land. The external investors also affect and change the tenure arrangements and the rural labour markets.
- Mobile phones are considered as very important drivers for the increasing multi-locality of investors' economic activities. Not only do mobile phones increase the spread of information about land and product markets but they also make it possible for investors to manage land from afar, facilitate payment transactions and manage product sales. The presence of mobile phones assists the external investors in getting access to information that used to be only locally obtainable.
- The external investors are often multi-local. Their activities span urban and rural milieus and their activities constitute some kind of 'rurban' dynamics. Many investors have other businesses or salaried jobs in towns in the vicinity or farther away from the study areas, and they complement or change their income portfolios to include investments in agriculture or housing in the rural areas. Thus an increase in agricultural investment may just as well be attributed to dynamics that span the urban and the rural.
- While local farmers to a large extent rely on family labour, external investors are more likely to hire farm labour because their family is not always present and because they generally have larger tracts of land to cultivate. Probably enforcing an already existing trend, the investors increase the demand for labour and stimulate the formation of a local agricultural labour force. In most of the sites this labour force is made up of migrants with multi-locality livelihoods somehow similar to the investors.
- The sites in question are known country wide as a prominent location for production of a so-called dominating crop. The prominence of the place is likely to strengthen the motivations for the external investors to invest in the particular area. Thus, the investors reproduce these places as 'hotspots' for a certain commodity (or set of commodities) and contribute to the creation of a self-reinforcing virtuous cycle.
- Many of the investors originate from the countryside and have over an extended period obtained urban incomes on the basis of which they begin to invest in agriculture either in their own place of origin or in other areas. This implies that a certain outmigration to urban areas of young talented people may in the long run be a benefit to a locality or extended family because parts of the urban income is re-invested in the rural area.
- The pronounced diversity of investors reflects the very open methodology of this study for identifying 'external investors'. Also it shows that investment in multiple locations is not only confined to larger capitalist farmers but something that a much wider segment of businessmen and employees can engage in. Often the investments are only in a couple of acres and this reflects the fluidity and flexibility of the land tenure systems and the lower costs of transportation and communication.

- It has been discussed whether or not external investors contribute to changes in the land tenure systems in the study areas. It can be observed that the external investors to a large extent take advantage of flexible forms of tenure such as leasing and sharecropping. Furthermore, the increased value of land may make it more difficult for the younger generation to acquire land.
- Agricultural practices are commercialised and increase efficiency after inducement of external investments. The use of modern inputs and organisational improvements are disseminated from the farms of external investors.
- Sale or lease of land is a result of either an urgent need for cash or a strategic intent to re-allocate resources to what is perceived as a more remunerative economic activity. Lease is the preferred mechanism as control over land is not lost but can be regained. The time horizon of the lease period depends on the particular crop that is cultivated – perennial or annual.