Impacts of large scale sugar investments on local livelihoods seen through the Sustainable Livelihoods Approach

– A case study on a multinational sugar company’s presence in Manhiça, Mozambique

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Abstract

Establishment of big companies in rural areas is something that is getting more and more common as the phenomenon of land acquisition is growing. This study is based on a case study in Manhiça where a big scale multinational sugar company, consisting of a sugar factory and sugarcane plantations, has been present for almost 20 years. The theoretical framework is based on the Sustainable Livelihoods Approach (SLA) that is made into a method by taking dimensions from the theory and converting them into analytical tools. The aim is to identify and analyse the impacts that the company’s activities have on longer term on the capital basis of the various groups with which the company relates. Using the perspective of SLA helps identify the wide range of impacts – direct and indirect, positive and negative – that matter to local people. The study is qualitative and based on semi-structured interviews made with different groups of outgrower farmers and employees as well as representatives for the company and the municipality. The results are, in accordance with the principles underlying the SLA, focusing on the perceptions of people and the dynamic nature of livelihoods. A pilot study is used to indicate which impacts that are a result of the company’s presence and which only a result of switching to cash crops. The study shows that different groups are affected different from the interactions with the company. People with already weak livelihoods are benefited least since their access to different capital assets decrease.

Key words: Land acquisition, cash crops, contract farming/outgrower schemes, rural development, local livelihoods

Cover photo: Sugarcanes with smoke from Maragra sugar mill in the background. Photography by the author, 2014.
# Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
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<tr>
<td>DUAT</td>
<td>Direito de Uso Aprovetamento do Terras (Official recognition of land rights in Mozambique)</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GMO</td>
<td>Genetically Modified Organism</td>
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<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>IDS</td>
<td>Institute of Development Studies</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>ORAM</td>
<td>Organização Rural para Ajuda Mútua (Rural mutual support organization)</td>
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<td>PPA</td>
<td>Power Purchase Agreement</td>
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<td>SCR</td>
<td>Social Corporate Responsibility</td>
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<td>SLA</td>
<td>Sustainable Livelihoods Approach</td>
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<td>SIDA</td>
<td>Swedish International Development Agency</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNAC</td>
<td>União Nacional de Camponeses (Mozambique's national peasants union)</td>
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<td>WCED</td>
<td>World Commission on Environment and Development</td>
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1. Introduction

Acquisition of land for commercial production is an old phenomenon that is changing shape. The intensity and scale of commercial pressures on land resources has increased dramatically during the last decades. Investors from all over the globe are buying or leasing land that most of the times already is inhabited of peasant or local communities who live of the land.¹ As part of the overall economic model land resources are often seen to be able to be used more efficiently by capitalist producers than by the peasants themselves.² The geographically pattern is clear; capital rich nations are outsourcing their food production to developing countries that are rich in natural resources.³ Approximately half of the acquisitions of land have taken place in Africa. Mozambique is one of the countries with most agricultural land acquisitions.⁴

1.1 Background

Mozambique has progressed since the end of the civil war in the early 1990s. The economy has grown but almost half of the population is still living in poverty and 40 percent of children are inhibited in growth due to chronic diseases and malnutrition.⁵ The income differences between rural areas and the cities are big, with the poorest living in the rural areas. The country contains vast areas of land that are officially unoccupied, reason why different estimates point to a lot of available land for agriculture, forestry and cattle. Agriculture employs four out of five Mozambicans. The majority are practicing small scale agriculture where a family, on average, cultivates about 1.4 hectare but depend on at least 35 hectares for its livelihood.⁶

The land in Mozambique is owned by the state and cannot be owned or mortgaged by individuals according to the constitution. Over 10 000 hectares - depending on who authorizes the land - can though be leased for a period of 50 years, renewable for another 50 years. According to the constitution, the local communities have to agree to the acquisition. Studies show that in almost all large scale acquisition of land consultation with the local community are insufficient and have run into conflicts.⁷

¹ Gregow et al. The race for land, 4-5.
² Bebbington. Capitals and capabilities, 2024.
⁴ Gregow et al. The race for land, 12.
⁵ Landguiden. Mozambique.
⁶ Gregow et al. The race for land, 35.
⁷ Ibid, 35-36.
Forestry investments have been the largest land concessions in Mozambique. The country is also considered to have one of the largest biofuels production potentials in Africa and investments in biofuel are booming. The Government of Mozambique has done efforts to attract investments for biofuels production. They see the production as a way of meeting energy demand but also as a good opportunity to reduce poverty in the country by opening up rural areas, creating employment, improving degraded land and infrastructure. At the same time the demand for biofuels around the world has increased as a result of a combination of peak oil and a bigger awareness of climate change-emissions.

Sugar is Mozambique’s second largest agricultural export product that represents approximately 25 percent of total agricultural exports. The sugar industry consists of four major commercial sugar companies, each with their own sugar estates and mills. Two of them, Marromeu and Mafambisse are located in the Sofala Province and two of them, Maragra and Xinavane, are located in the Maputo province. The plantations of Maragra are since 1996 located in Manhiça, 80 km north of Maputo. The South African sugar company Illovo Sugar holds the majority share in Maragra. Illovo group is Africa’s biggest sugar producer and has extensive agricultural and manufacturing operations in six African countries. The production of raw and refined sugar is for local, regional African as well as for export to European Union (EU) and United States of America (USA). The sugarcanes are supplied by Illovos own agricultural operations but also from independent outgrowers who supply cane to Illovo’s factories.

### 1.2 Aim and research questions

The purpose of this case study is to - through the Sustainable Livelihoods Approach - investigate the perceived local consequences of the establishment and presence of one of the companies in Manhiça, Mozambique. The specific aim is to examine the impacts of the company’s activities on the capital basis of the various groups with which the company relates as well as which groups that are benefiting the most and the least. The longer possible effects of the impacts that can occur in the future and the interaction of different capital assets and are also aimed to be analysed.

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8 Schut et al. *Biofuel developments in Mozambique*, 5151.
12 Illovo Sugar. *Mozambique*.
14 Illovo Sugar. Group Overview.
A pilot study of independent small scale sugarcane farmers in Dareda, Tanzania is aimed to indicate which of the impacts that probably are consequences of the company’s establishment and which only a result of switching to cash crops.

In accordance with the principles underlying the SLA, this study is aiming to focus on how people from different perspectives perceive the consequences of the presence of the company rather than measuring impacts. This means the results are more subjective, but the benefit is that it enables to assess the wide range of impacts that seem to be of importance to local people themselves.

The study is striving to answer the following main questions:

- Seen through the Sustainable Livelihoods Approach, what are the impacts of the company’s activities on the capital basis of the various groups with which the company relates?
- Which groups seem to be benefiting the most and the least from their interactions with the company and in which ways?

In order to give a more correct answer to the main questions the following question is also aimed to be answered:

- Which of the impacts are probably consequences of the company’s establishment and which only a result of switching to cash crops?
2. Theory

This chapter aims to present the theoretical framework that is used to understand and analyze the findings in this study.

2.1 The Sustainable Livelihoods Approach

The concept of sustainable livelihoods was initially introduced in “Our Common Future” – more known as Brundtland Report – that was released by the World Commission on Environment and Development (WCED) 1987. In the report, sustainable livelihoods were raised as an important part to reach sustainable development. With the concept the authors meant that providing sustainable livelihoods for resource-poor farmers would present a special challenge for agricultural research. By that time and during the 1990s environmental issues did play a very prominent role in the livelihoods discussion. 1992 the Institute of Development Studies (IDS) composed a definition of sustainable livelihoods where environmental resilience is central. Since then the definition, that also follows below, is used among researchers in the topic.

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base.

In conformity with sustainable development the bases for sustainable livelihoods is that different type of capitals are interacting with each other and are all necessary to reach sustainability. The relationship between environment, society and development is central. Livelihoods can therefore be considered in terms of access to different type of capital-asset where people need to access different kind of resources to compose a livelihood and overcome poverty. People’s assets are though not only seen as important for them to make a living, they are also supposed to give meaning to the person’s world.

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15 Scoones. Sustainable rural livelihoods, 5.
17 De Haan and Zoomers. Exploring the frontier of livelihoods research, 30.
18 Chambers and Conway. Sustainable rural livelihoods, 6.
The SLA is today used outside the academia by a range of development agencies, NGO:s and UN organisations such as FAO and IFAD. The conventional definitions and approaches to poverty eradication have been found to be too narrow because they focus only on certain aspects or manifestations of poverty, such as low income, or do not consider other vital aspects of poverty such as vulnerability and social exclusion. It is now recognised that raising quality of life is not a matter simply of improving the incomes of the poor. Since the SLA offers a more coherent and integrated approach to poverty it is used - by the mentioned institutions - as a strategy towards poverty alleviation either by using it as a framework of analysis or to facilitate the planning of concrete projects and programmes.

Income poverty is in sustainable livelihood only considered as one aspect among others of deprivation. An own observation is that economic income seldom says something about peoples level of well-being since the access of other resources varies dramatically. While some people for example depend on buying necessities such us food others have access to forest where they can collect what they need and reach a higher standard even though they might have a lower income. Contrary people that depend on buying necessities might earn one dollar per day or more but yet not be able to provide for their basic needs. Therefore it is important to use a more complex framework to be able to understand how people and societies are affected by different kind of investments.

As mentioned, except from natural resources, economic, social and human capitals are often taken into account in sustainable livelihoods. Even though rural livelihood strategies are often reliant on natural resources social and power dimensions have gradually strengthened in the livelihood research. Changing the dominant rules and relationships governing the ways in which recourses are controlled, distributed and transformed in society are seen as desirable to reach sustainable livelihood. The challenge is in the relationship between access and decision making where the assets must be transformed into dignity and power.

Even though there is agreement on the interaction and need of different kinds of capital assets there are a lot of questions about sequencing, substitution, clustering etcetera. Could a strong access to

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20 Food and Agriculture Organization of the United Nations. The sustainable livelihoods approach. Hamilton-Peach. An IFAD Sustainable Livelihoods Framework.
21 Krantz. The Sustainable Livelihood Approach to Poverty Reduction, 1-5.
22 Chalmers. Poverty and livelihoods, 173.
23 Scoones. Sustainable rural livelihoods, 11.
25 De Haan and Zoomers. Exploring the frontier of livelihoods research, 45.
26 Bebbington Anthony. Capitals and capabilities, 2029.
one capital asset for example compensate a lower access to another one? And on the other hand: how is it possible to say if one asset is stronger than another since different kinds of assets are not countable and comparable with each other? This kind of reasoning is perceptible in earlier research within the subject of sustainable livelihoods. In an attempt to highlight human capital Bebbington reason for example about projects in the Andes within the agricultural sector that didn’t manage to increase the income so much that it would be more profitable than migrant remittances. His argument is that it would be better to invest in human capital.\(^27\) Erosion control programs could though lead to a more frequent income to families that could enable them to send their children to school which indirectly would lead to increased human capital. Instead of excluding one type of capital it would be possible to see which capitals that are affecting each other and try to do parallel investments that could increase the positive impact by the right interaction.

Strategies for reaching sustainable livelihoods can be found and described in different scales. Those can be at an individual, household and village level as well as at regional and national levels. Investments at some level can have impact on other levels.\(^28\) In this case study for instance the investments that the studied company chooses to do may have both positive and negative impacts on the village and on particular households. If for example the company choose to invest in land that is in bad condition and earlier unused this could lead to increased financial capital for local households if family members get employed for working with the specific piece of land. In that way the livelihoods in an area may be strengthen. Investigating in someone’s livelihood strategies now may impact others access to capital assets both now and in future. Future impacts of investing in one set of livelihood strategies therefore need to be assessed and discounted appropriately.\(^29\) When assessing livelihood sustainability it is also important to do an appreciation of scale issues that must lead to a critical examination across hierarchical levels.\(^30\) Another aspect that is relevant on the composition of livelihood portofolios are socio-economic differences. Factors that may have a major impact can be asset ownership, income levels, gender, age, religious affiliation, caste, social or political status and so on.\(^31\)

\(^{27}\) Bebbington Anthony. *Capitals and capabilities*, 2032.


\(^{29}\) Scoones. *Sustainable rural livelihoods*, 11.

\(^{30}\) Ibid, 10.

\(^{31}\) Ibid, 11.
2.1.1 Five types of capital assets

Different forms of capitals can be used in a framework for analyzing sustainable livelihoods. An aspect for the livelihoods to be sustainable is that each capital is not overconsumed. The relevance of different kind of assets depends on the context of each case. In UK for example the sustainable livelihoods approach has been used in different community development projects. In that case natural assets were not relevant meanwhile public assets did play a prominent role. For the case study of this paper the capitals that are presented below are identified. Each of them is reviewed below.

**Natural capital** is the natural resource stocks such as soil, water, air and genetic resources as well as environmental services such as hydrological cycle and pollution sinks. These resources and services are relevant if they are useful for livelihoods. Asset in natural capital can strengthen livelihoods by for example making the soil more fertile by using compost. It can though also be overconsumed by overcropping which can strengthen other assets such as financial assets in short time but in a longer perspective the land quality is then sacrificed which is not sustainable.

**Financial capital** is the capital base including cash, credit, debt, savings and other economic assets. Financial capital is essential for the pursuit of any livelihood strategy. Building capital base is depending on other capital assets. For example natural resources or human capital can generate an income when products or services are sold. This requires access to transparent market prices or a trustworthy trader to sell to. When studying livelihoods and rural development it is also relevant to see the external context. They can be shops, bubs etcetera that are locally owned which means that the money goes back to the local economy increasing the asset of financial capital but they can also be larger companies and banks which take money away from the local community.

**Physical capital** is the basic infrastructure, tools, equipment and technologies that people need to be productive. Having access to a road can for example be a precondition to be able to sell the cultivated crops on the market and thereby access financial capital. Peoples home can indicate asset

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36 Bebbington. *Capitals and capabilities*, 2028 and 2033.
38 De Haan and Zoomers. Exploring the frontier of livelihoods research, 34.
of produced capital in form of electricity, isolation etcetera but in rural areas it can also be a measure of accumulation because of lack of financial institutions.  

**Social capital** is the social resources such as networks, social claims, social relations, affiliations and associations. The social resources are drawn when pursuing different livelihood strategies requiring coordinated actions. Those are not though only simply resources but assets that give people the capability to be, to act and the power to reproduce, challenge or change the rules that govern the control. In the framework of sustainable livelihoods it is possible to analyse the relationship between members of a rural household and other actors such as the market. Through engaging in relations with other actors rural people try to access resources. Social structures can be more “horizontal” when based on relationships of trust and shared values or more ”vertical” when based on authority relations. In the first case of “horizontal” structures levels of participation in social organizations and networks are higher and that cuts across the boundaries between different institutions and social groups. In the case of “vertical” structures citizen capacity for collective action is limited and access to and influence over state and market are weaker. The social capital can also be week in form of social exclusion which can occur when some people exclude others from access to resources, with the objective of maximizing their own returns.

**Human capital** is the ability to labour including skills, knowledge, health and physical capability which are all important for the successful pursuit of different livelihood strategies. Investing in people, above all in education, was due to the 1990 World Development Report an important part of reducing poverty. Education and the ability to read and write does not though only enable people to secure better jobs and in that way reduce poverty. It also enhances people’s ability to engage in discussion, to debate, to negotiate and thereby even to add their voice and influence development discourses.

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41 Bebbington. *Capitals and capabilities*, 2027.  
46 De Haan and Zoomers. Exploring the frontier of livelihoods research, 33.  
48 Bebbington. *Capitals and capabilities*, 2030.  
49 Ibid, 2034.
3. Research design

This essay is mainly based on primary data from field studies made in Manhiça, Mozambique but also in Dareda outside Babati in Tanzania. All field work, consisting of interviews, is done in spring 2014 during two months in Mozambique and one month in Tanzania. The data collected in Manhiça is aiming to answer the first two research questions about the impact that the presence of the sugarcane company has on local households and on rural development. The data collected in Dareda is on the other hand aiming to help answering the third research question about which impacts that possibly occurs because of the company’s establishment and presence and which ones may be a result of locals switching to cash crops.

There are four main sugar producers in Mozambique whereof two sugar cane factories with attendant plantations are situated in Manhiça. Due to time limitations this study is focusing on the impacts of one of the two companies, namely Maragra. The study is mainly made in the area around the chosen company and all respondents have connections to the specific company. It is in some aspects impossible to say that the impacts have occurred only because of the presence of one of the two companies. Maragra has been present in Manhiça for almost 20 years which makes a study on long term impacts possible. The company is not chosen as an example of bad practice. In contrary Maragra is actively working with aspects of sustainability. Of course there are shortages but the aim of the essay is not to name and shame but to contribute with a study of one case, that together with other studies, can come to a discussion and possibly a conclusion about impacts of big scale agricultural investments in rural areas on local livelihoods and rural development. In an attempt to not put emphasis on the specific company, Maragra is most often referred to as “the company” in this essay.

The reason for that part of the field studies have been made in Tanzania is that this essay is a part of a course that is taking place in Babati, Tanzania. The course is given by Södertörn University in Sweden and includes the bachelor thesis. The field work in Tanzania is an obligatory part of the course while the majority of the field work for this essay is made within the confines of SIDA:s (the Swedish International Development Agency) Minor Field Study. Consequently Dareda is not chosen for being the most similar place with the same preconditions as Manhiça but have been chosen because it was the most relevant place to study in the surroundings of Babati. All interviews were made in the same area in Dareda since there are a lot of sugarcane plantations there and focusing on

51 Ibid.
one area could give a holistic picture of the village context and development rather than only understand the situation for each household. In addition to giving an interesting perspective to the studied phenomenon in Manhiça the field study in Dareda can also be seen as a pilot study which is a good way of preparing and straightening for the field studies in Manhiça.\textsuperscript{52}

The collected data at the case study in Manhiça consists of interviews with:

- Seven small scale outgrower farmers
- The owner of a medium scale outgrower farm
- A focus group consisting of four small scale farmers that are part of an association that are leasing land to a big scale outgrower company
- Three employees working for the medium and big scale outgrower farms
- The agricultural manager at Maragra
- The health and security manager at Maragra
- The director of the district service for economic activities in Manhiça
- The agricultural officer for Munguini at the municipality of Manhiça
- The officer for lobby, advocacy and marketing at ORAM
- An officer at the regional office of ORAM in Macia
- The chairman of UNAC in Manhiça
- An ex-chairman of the local peasant movement UNAC

The collected data at the pilot study in Dareda consists of interviews with:

- 15 small scale independent sugarcane farmers in nine households in Dareda

In addition to the above mentioned interviews a lot of observations have been done for the purpose of this study as well as many informal talks with people that work at different NGO:s and people that are engaged in different associations.

### 3.1 Methodological discussion

This is a qualitative study based primarily on in-depth interviews. The general purpose of using a qualitative approach is to interpret and understand phenomena in contrast to a quantitative approach.

\textsuperscript{52} Nyberg and Tidström. \textit{Skriv vetenskapliga uppsatser, examensarbeten och avhandlingar}, 130.
which is about accounting and describing. Consequently this study is focusing on how people from different perspectives perceive the presence of the company rather than measuring impacts. Qualitative studies are focusing on aspects of daily life in the respondent’s life-world that all together are contributing to thick descriptions which helps interpreting elements that forms the larger lifeworld. This is what SLA is about and to be able to get into the essence of livelihoods the quality of each interview is essential rather than the number of them. Therefore in-depth interviews lasting for a bit more than one hour have been done on the household interviews made for this study.

The interviews have been semi-structured organized after a reversed funnel technique. The reason for the interviews being semi structured was to have the ability to suit every interview to the individual case. All the interviews began by asking the informants about personal information and other simpler introducing questions to create a good atmosphere. Except for the personal information a reserved funnel technique was used which means that more specific questions on partial aspects are asked initially in the interview meanwhile more overall general questions are ending each interview. In this case questions about specific capital assets were asked first followed by questions about the respondents overall perception of wealth and attitudes towards the company. The reason for using this method is to determine the respondent’s attitude towards something, as towards the company and the impacts it has on the local community. It also helps the respondent to form an opinion meanwhile the interview is going on. Another reason for using this method is to avoid that the respondents’ attitude towards the company impacts the answers on the questions about their access to different capital assets.

Among the initial questions about access to different capital assets there are mainly closed, more quantitative, questions that are followed by open questions on the same subject. The reason for that is to enable to compare the answers of the different respondents but still provide the opportunity to take part of more detailed information and of the respondent’s thoughts and perceptions.

Since some sensitive information such as income and detailed information about the respondents mode of life is part of the used questionnaire most interviews are made individually with respect to the respondent. For the aim of the study it was also important to understand the situation of each respondent which is best made by interviewing each of them separately. Otherwise there is a risk that

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54 Patel and Davidsson. *Forskningsmetodikens grunder*, 83-84.
57 Patel and Davidsson. *Forskningsmetodikens grunder*, 78.
some information might be lost. It is also possible that one respondent’s answer would impact the others, especially when asking questions about attitudes where one’s attitude towards the company might prevent other respondents from expressing their opinion. The collected data does however consist of one focus group which depends partly of practical reasons but most of circumstances that wouldn’t put the respondents’ in a tough seat even though they are others listening. In the focus group-activity the respondents were all members of the same association that commonly owned land that they were leasing to a company and they were not asked about personal issues but about how the affairs with the company worked out.

3.1.1 Data collected in Manhiça

The biggest group that have been interviewed in Manhiça consists of small scale farmers that are cultivating sugarcanes on their own land but selling the canes to the company, so called outgrower farmers. The farmers in the area are organized in associations depending on which crop they mainly cultivate. Since the area is big and the farms are spread out taking advantage of the meetings in the associations for sugar cane farmers was a good way of being able to find and interview many respondents at each occasion. Identifying meeting points is in general a good way of finding people in the target group when doing sustainable livelihood research.\textsuperscript{59} All outgrower farmers that have been interviewed have been found at the meetings and where not appointed in beforehand. At the meetings interviews were made with one male respondent from each household but questions about the whole household were asked. Attending the meetings was possible by accompanying one of the agricultural officers at the government of the district.

The medium scale outgrower as well as the employees were chosen of practical reasons and not appointed for a specific reason. Interviews were also done with people working at relevant NGO:s, at the government of the district and with the agricultural manager of Maragra. A group that is missing among the respondents is the people employed by the small scale outgrowers. Sometimes the farmers are working for each other when the most labour intense periods on their land do not coincide with each other. They are though other people working for them as well and understanding this group could contribute to a better understanding and analysis about impacts on the society. Neither people employed by the company were interviewed because of time limitation. This study is focusing on impacts on the agricultural sector and the factory is therefore not investigated at all.

\textsuperscript{59} May et al. The sustainable livelihoods handbook, 19.
All interviews were made directly in either Portuguese or English without interpretation (in some occasions local people assisted by interpreting single questions that the respondents could not understand from Portuguese to Shangaan). The questionnaire is constructed under thematic areas - such as cultivation, food, water, education, medical care, energy and working conditions - as it is supposed to be when doing in-depth interviews. The same thematic areas have been used when interviewing outgrowers, employees as well as the agricultural manager at Maragra and the director of the district service for economic activities in Manhiça. When the later were interviewed they were also informed about some of the farmers and employees opinions to be able to have a chance to respond to these opinions that in some cases were criticism raised against the company. In addition to the interviews, staying in the community, walking among the fields and housing area, participating in the associations daily work and visiting the factory have among others contributed to a better understanding of the context and thereby analysis of the data collected.

3.1.2 Data collected in Dareda

The data collected in Dareda consists of 15 interviews made with independent small scale farmers that have switched to partly cultivate sugarcanes for selling to the market. Unlike in Manhiça, the interviews in Dareda were made with the help of a field assistant that interpreted from Swahili to English. Both (the interviewer and the person interpreting) did though introduce by speaking some very basic Swahili to get a friendlier atmosphere and better contact to the respondents. During the first field day contacts were made with a man from the village that was selling sugarcanes along the street. The selection of the households that have been interviewed was made randomly. People that was working in the sugarcane fields where asked if they would like to take part in an interview. The first contact was taken by the kind and very helpful local man. His presence contributed to a more confidence atmosphere and a more opened treatment from the respondents. In some occasions when respondents were not able to talk Swahili he did also help interpreting from Iraqw to Swahili.

The questionnaire that was used in Dareda is constructed under the same thematic areas that have been used in Manhiça but the questions are adjusted to fit the specific target group. All respondents were found by visiting there sugarcane plantations during daytime while the owners were working. Since men usually are working with the sugarcane plantations a man of each household were first interviewed and thereafter an interview was made with a female member of the same household if permission was given. In that way both the field, the house and in sometimes the working place of a

60 Esaiasson et al. Metodpraktikan, 265.
female household member was observed which contributed to a better understanding of the respondents’ life. By complementing the interviews with observations made at the visited places new questions and useful answers was given. The walk that was needed some times led to informal talks that illuminated more dimensions. The first interview in the household where always more comprehensive while the second focused on the tasks included in a normal working day for the person being interviewed and on how the respondent perceived different themes rather than repeat facts that already had been given.

3.1.3 Data analysis
The data collected in Manhiça and Dareda has been analyzed by using the theory of sustainable livelihoods. A theory can be made to a method by taking dimensions from the theory and converting them into analytical tools. The theory is then divided into analysis dimensions. Each dimension can be used as a pair of glasses through which the data can be read. By doing that, the theory can form the backbone of a thesis’ method.\(^\text{61}\) In this essay the theory of sustainable livelihoods is divided into different capital assets that are used as analysis dimensions. The data collected is categorized into impacts on capital assets and are presented under separate headings. Thereafter an analysis is made of each capital asset. Finally the conclusion made in each dimension is used to make a broader analysis based on the theory and thereby answer the research questions.

3.2 Method criticisms
In the methodological discussion the choice of doing less but in-depth interviews is motivated. However fewer respondents do also mean that generality becomes more difficult.\(^\text{62}\) As an attempt to compensate for that, interviews on different levels – as at the municipality – are also done complementing the interviews at a household level with a general picture of the situation. Despite the few respondents, the result is quite clear because of the similarity in the respondents’ answers. Few respondents with big differences in the answers can otherwise lead to difficulties to reach a conclusion.\(^\text{63}\) On other hand the similarities in the respondents answer could also be a result of the way the selection of the respondents was made. All the small scale outgrowers that have been interviewed are part of the same sugar cane association which was one out of three sugarcane

\(^{61}\) Rienecker and Jørgensen. *Att skriva en bra uppsats*, 218.

\(^{62}\) Nyberg and Tidström. *Skriv vetenskapliga uppsatser, examensarbeten och avhandlingar*, 126.

\(^{63}\) Rienecker and Jørgensen. *Att skriva en bra uppsats*, 227.
associations in Manhiça. It is therefore possible that the sample of respondents, members of one sugar cane association, is not representative of the small scale outgrower farmers in the other two associations. It is also relevant to emphasize that this essay is only based on one case study and there is a need of more similar studies to come to a conclusion about general impacts of big scale agricultural investments in rural areas. A qualitative analysis can lead to an understanding of a phenomenon and the variations that this phenomenon exhibits in relation to its context, as in this case understanding the impacts at the studied area. Generalization can then be done in other similar situations and contexts.\textsuperscript{64}

During the process of collecting data it turned out that it would have been better to record the interviews than to only write the replies down by hand. In beforehand a decision was made to not use a dictation machine in order to avoid making the respondents feel uncomfortable. Dictation machine was though borrowed and used during one day which brought many positive things (even though all respondents didn’t want to be recorded). The recordings made it possible to catch up things that were not registered by me when the interview took place. This was especially important since the knowledge of Portuguese wasn’t that good but also because it was not always possible to transcribe immediately. According to Nyberg and Tidström writing down while the respondent is talking is also disturbing more than recording.\textsuperscript{65} The lack of good knowledge in Portuguese and Shangana can be a critic for the method of doing interviews in Mozambique. Using dictation machine could have been one way of diminishing the negative impacts on the quality of the data. Another could have been to have a person assisting with interpreting. Of course the translating part can contribute to misinterpretations and it also needs a lot of time which affects the questionnaire but, aside from obvious reasons, it also have some benefits. The interpreting part, which was used in Dareda, gave more time for writing the answers down and that enabled to look at the respondents while they were talking. Working together with a field assistant did also prevent mistakes caused of cultural differences.

The bias is an aspect that has to be discussed in the method criticism.\textsuperscript{66} The choice of the sustainable livelihoods approach can prevent western perspectives such as expecting people to have only one occupation and seeing livelihoods as a matter of only economical income. It is though impossible to prevent a western perspective all the way. Interviews are affected by a variety of factors as power and ethnicity. These factors are impossible to overcome even if the interviewer learns to master the

\textsuperscript{64} Patel and Davidsson. Forskningsmetodikens grunder, 109.
\textsuperscript{65} Nyberg and Tidström. Skriv vetenskapliga uppsatser, examensarbeten och avhandlingar, 130.
\textsuperscript{66} Rienecker and Jørgensen. Att skriva en bra uppsats, 226.
language and gestures that are known by the respondent. The time limitation didn’t allow doing what was possible to overcome these factors in this study. It is though not only the interview that is affected but also the whole analysis. Your own point of view is affected from your background and when this environment differs from the respondents, as it does in this case, it can result to different conclusions. The different realities between development professionals and the people that are directly involved are in general a common problem in development studies. Despite all negative impacts caused by different cultural background and realities it might have some positive impact if it enables us to see things that someone from the local environment would not see.

Another criticism to this study can be that women are underrepresented among the respondents even though the interviews are supposed to be based on household interviews where the gender representation probably is balanced. One reason for the overrepresentation of men is that work at the sugarcane fields is heavy and seen as “man work”. Therefore when the respondents have been found at the field they have been men, sometimes sons, sometimes fathers etcetera. Efforts have been done to also interview women from the respondents households although it found out to be impossible in most cases. It would on the other hand have been possible to overcome the underrepresentation by doing workshops at places where women are gathered, as at wells. However this was not made because of lack of language and cultural knowledge that are discussed above. Although the questionnaire is framed in order to cover the whole household, more interviews with female respondents would probably elucidate other perspectives as the impacts that the exclusion of women has for them. Therefore focus is not on gender aspects in this essay.

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67 Patel and Davidsson. Forskningsmetodikens grunder, 83.
68 Chalmers. Poverty and livelihoods, 175.
4. Results

A report of the findings of the field work follows under this section. The contexts of the places for the two case studies as well as the findings are described separately. For the field work in Manhiça some observations of local impacts, from the presence of the company, that can contribute in chancing the access to different capital assets are also described. Thereafter an analysis of possible changes in access to different capitals - caused by the presence of the company and the transition to cultivating cash crops in addition to food crops - is made. The analysis is put into a more general context in the discussion that follows in next part.

4.1 Manhiça

Manhiça district is located in the north of Maputo province and has good infrastructure in the sense that the national road is passing by connecting Manhiça with among others Maputo city, that is 80 kilometres away. The district, with an area of 2,373 square kilometers, is divided into six administrative regions and there are in total two villages; one in Manhiça and one in Xinavane. The agricultural sector is dominating the district with 77 percent of the 200,000 citizens occupied by it. Among women it is even higher with 90 percent working in the sector. In two of three cases there are though men that have the main responsibility of the family cultivation. Most people are cultivating land for their own livelihood but some are also employed in the agricultural sector. Even though the minimum wages increased in April 2014 the wages for the employed in the agricultural sector remain the lowest in Mozambique with a monthly salary on 3,010 meticais, approximately 70 euro. The economic activities in the region are dominated by the two sugar companies Maragra and Xinavane. They stand for 65 percent of the employments and are using 20,000 hectares for their plantations which is almost half the land used for agriculture in Manhiça. Almost all Manhiças area, 236,000 hectares, is suitable for agriculture. According to the statistics only 20 percent of the suitable land is used for agricultural purpose. However land that is used but

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70 Ibid, 2 and 12.
71 Ibid, 2 and 31.
72 Ibid, 29.
73 Ibid, 21.
74 Manjate, Alfredo. *Salário mínimo aumentou... uma ninharia em Moçambique. Aprovados novos salários mínimos*.
De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
not formally as well as fallow land is not included. Small scale family farms, consisting of an area of one hectare, are only occupying 20 percent of the agricultural land in Manhiça but are the most common and are increasing even area-wise. The agricultural production, dominating in Manhiça, is rain-fed and operated without chemical additives. The traditional method of cultivation is through crop rotation. A great asset is the river Incomati that flows through Manhiça but the agricultural sector is even though facing problems related to droughts, irregular rainfalls, pests and lack of seeds. In 2000 there was flooding in the Incomati river basin and the agricultural sector was badly impacted. To rectify the problem with too much water during some periods each year the municipality has initiating the construction of an artifical lake which is though not going to stop flooding fully. Food crops are dominating the agricultural scene with crops such as maize, cassava, beans, peanuts and sweet potatoes. In spite of that, the food production is not enough to feed Manhiças citizens. Small scale farmer-households are mostly combining working at the fields with other chores to enable them to get some income and thereby feed the household members. In average people are spending almost half of their income on food and 90 percent on food and living together.

In the municipality they are categorizing the farms into small, medium and large farms. Small are the farms that are less than one hectare, medium between one and five hectares and large all above five hectares. Other aspects are though also taken into account, as if they are using chemicals, machines and irrigation systems. All land in Mozambique is owned by the state but the user of the land can apply for official recognition of land rights which is called DUAT (Direito de Uso e Aproveitamento dos Terras). In Manhiça only nine percent of the farmers have DUAT on their land. The ones who apply for it are almost exclusively big scale farmers who are doing business on their land and not

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De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
79 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
80 Ibid, 37.
81 Ibid, 35.
82 Ibid, 32.
83 Ibid, 32.
84 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
cultivating for their own survival.\textsuperscript{86} The application entails costs, since the land has to be demarcated and it is therefore difficult for most people to afford. Another contributing factor has been the lack of knowledge of why the DUAT is needed. Many realize the importance of having DUAT first when they are facing land conflicts and it is too late to enforce their rights.\textsuperscript{87} Land conflicts are getting more and more common in the district of Manhiça as population is growing and the number of land investments is increasing in the area.\textsuperscript{88}

4.1.1 The company

Maragra has a sugar mill factory and sugarcane plantations in the administrative region of Manhiça.\textsuperscript{89} The company was established between 1997 and 1998 and did then lease land that earlier was used, by a family owned company, for big scale banana plantation. The land is situated on the lower parts of the escarpment, which goes through Manhiça, where the soil is fertile but the position causes problems with flooding.\textsuperscript{90} Maragra Açúcar SA is by 90 percent owned by the South African multinational sugar company Illovo Sugar that in turn is owned by 51.4 percent by a British company, Associated British Foods plc.\textsuperscript{91} The acquisition in Manhiça was Illovo’s first outside of South Africa.\textsuperscript{92} Illovo is primarily selling sugar to Europe and US and the sugar produced in Manhiça is mainly exported to Europe, US and Congo.\textsuperscript{93} Every year 750 000 tonnes are produced in the factory of Maragra in Manhiça that has the capacity to produce 938 000 tonnes. 1 000 people are permanently employed by Maragra but they also use 3 500 to 5 000 seasonal workers per year.\textsuperscript{94} The company has more than 6 000 hectares of land on a 50 years lease from the Government of Mozambique of which the majority is under cane. Accept of its own plantations on 6 200 hectares the company is also buying sugarcanes from another 3 600 hectares that are cultivated by farmers that are selling the sugarcanes to the company, so called outgrower farmers.\textsuperscript{95}

The outgrower farmers are important for the company since the company is not planning to lease more land themselves but wants to expand, to the fully capacity of the factory (in other words

\footnotesize{86} De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.

\footnotesize{87} Arnaldo Sainda, Abel; Officer for lobby, advocacy and marketing at ORAM. Interview 2014-05-05.


\footnotesize{89} Corporate Citizenship, \textit{Mozambique Socio-Economic Impact}, 1 and 23.

\footnotesize{90} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.


\footnotesize{92} Corporate Citizenship, \textit{Mozambique Socio-Economic Impact}, 8.

\footnotesize{93} Corporate Citizenship, \textit{Mozambique Socio-Economic Impact}, 1 and 23.

\footnotesize{94} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.

\footnotesize{95} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.

Corporate Citizenship, \textit{Mozambique Socio-Economic Impact}, 8.
increasing the processing with 200,000 tonnes per year), which is going to be made by initiating more cooperation’s with outgrowers. At the company they do also use a classification of small, medium and large scale farms for their outgrowers. The scale of the classification differs a lot from the one that the municipality uses. According to Maragra everything between zero and 20 hectares are small farms (compare with less than one hectare according to the classification used by the municipality and the most common size among local people), 20 to 120 are medium (compare with one to five hectares) and everything above 120 hectares are big (compare with everything above five hectares). Maragra has today 337 small scale farmers accounting for 17 percent of the total cane, 29 medium outgrowers accounting for 37 percent of the total cane and five big scale outgrowers accounting for 45 percent of the total cane. The agricultural manager of Maragra emphasizes the importance of being accepted in the local society. They are therefore very keen to have a good relationship with the outgrowers. Meanwhile there is no need for the company to worry for the loyalty of the outgrowers since they do not have any other options or possibilities than to sell the sugarcanes to Maragra since it would be too expensive for the outgrowers to transport the cane longer distances. According to the director of economic activities at the municipality the company is primarily looking for big scale outgrowers (around 500 hectares) with fertile soils and good access to water and are therefore searching for land in the surroundings of Manhiça: in Inhambane, Gaza and Zambezia. Maragra should though also invest in land that is not in use today, according to the director at the municipality. The agricultural manager at Maragra does also confirm that the company is not interested of cooperating with too small scale farmers. According to him they should be at least five hectares (which is classified as big scale locally/in the municipality).

Maragra is trying to have a good impact on the society and eliminate negative environmental impact. They are working with Social Corporate Responsibility (SCR); among others they have a school and a health centre that can be used by their employees and their children. These facilities are though inside the area of Maragra and are not accessible or meant to be used by the outgrowers or the local community in general. Among the outgrowers there are some that are certified Fairtrade which Maragra thinks is not profitable since the costs increase and the demand is not big enough. Maragra is recycling some materials which is a big contrast to the rest of the society since there is no municipal system of waste disposal in Manhiça. In an effort to keep the soil fertile longer the

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96 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
98 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
99 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
100 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
company is now testing cultivating crops that are fixating nitrogen at part of the plantation. If the assessment shows this method is successful they will start using rotation at all land on their own plantation. Maragra is self-sufficient in electricity since they are producing energy from the molasses of the sugarcanes. They have a Power Purchase Agreement (PPA) with the Mozambican state but any surplus in not generated.\textsuperscript{102}

4.1.1.1 Relations with national and international institutions

The Government of Mozambique has done efforts to attract investments for biofuels production. They see the production as a way of meeting energy demand but also as a good opportunity to reduce poverty in the country by opening up rural areas, creating employment, improving degraded land and infrastructure.\textsuperscript{103} The ministry of Agriculture and the ministry of energy of Mozambique are though ascertaining that the established sugar producers in the country have not yet engaged in ethanol production but they do see a potential for developing the sugarcane sector to ethanol production.\textsuperscript{104} Meanwhile they do also point at risks that an increased investment in the agricultural sector could carry. Risks related to food security, land appropriation, biodiversity, vulnerability to natural disasters and irrigation.\textsuperscript{105} As mentioned, Maragra has a Power Purchase Agreement (PPA) with the government and they are the only, among the existing sugar cane companies, having this kind of agreement. That does not mean though that they have a biofuel production. Yet they do only produce electricity which is only sufficient for their own demand.\textsuperscript{106} According to the opinion of the agricultural manager of Maragra the company’s establishment in Mozambique is mainly benefiting the government through the incomes generated by the taxes that Maragra is paying.\textsuperscript{107}

At the municipality the director of the district service for economic activities express the sentence “Maragra is always a special guest”. He means that the company’s establishment in the region has generated a lot of job opportunities and also made the farmer associations profitable. The company is contributing in making Manhiça more attractive; banks as well as the super market Shoprite is now established in the city and that is, according to him, god for Manhiças development.\textsuperscript{108} The agricultural manager at the company agrees; he points to the establishment of the banks and

\textsuperscript{102} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\textsuperscript{103} Ministry of Agriculture of Mozambique. Mozambique Biofuels Assessment, 5, 13, 15 and 345.
\textsuperscript{104} Ibid, 4.
\textsuperscript{105} Ibid, 5 and 161.
\textsuperscript{106} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\textsuperscript{107} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
\textsuperscript{108} De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
supermarket as an indication Manhiça being the second fastest growing city in Mozambique. This is in line with the intentions of Illovo to play an important role in supporting local businesses, provide further employment and drive socio-economic development in local communities with the target to alleviate poverty.

At the municipality they are though also dealing with the negative impacts that the agricultural investments are bringing about. The director of the district service for economic activities says that he is spending time every day at work on resolving land conflicts. A contributing problem is that many farmers lack DUAT which according to him is essential when cooperating with the companies. He thinks that Maragra is lacking transparency and that this is shown in the contracts with the outgrowers. There are also other organizations working with land right towards small scale farmers. At the head office of ORAM the officer for lobby, advocacy and marketing is summarizing the negative impacts, in his opinion, of Maragra and other multinational companies in the agricultural sector: Land that could be used for cultivating food is not available, the employees are low paid, a lot of chemicals are spread in the nature and big quantities of water are used.

**Financial support from the European Union**

Maragra is receiving 2.4 million euro from the European Union (EU). The main objective of the financial support is to increase sugar cane production by smallholders’ participation which is supposed to contribute to poverty alleviation. According to the EU:s project fiche the expected results consist of three objectives: 1. Development of new sugarcane fields; 2. Improvement of local farming systems; 3. Promotion of farmer associations. A call for proposals was made but there were no proposals for the second objective about improvement of local farming systems. Therefore only two out of three objectives are part of the implementation through both Maragra and Xinavane.

The financial support for developing new sugarcane fields consists of contribution towards the costs of equipment and infrastructure that are suitable to sugarcane production by smallholders. It includes demarcation, land preparation, construction of field roads, installation and commissioning of irrigation systems and drainage systems. For Maragra specific the development of new areas of cultivation is associated with building drainage channels as there is often the risk of floods in the

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110 Illovo Sugar. People.
111 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
112 Arnaldo Sainda, Abel; Officer for lobby, advocacy and marketing at ORAM. Interview 2014-05-05.
113 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
114 European Union. Project Fiche.
area of Manhiça. The financial support for promoting farmer associations is aiming to build and strengthen the associations’ organizational capacity in the area of business management, administration and accounting, governance and other cross cutting issues such as gender, environment, civic education, HIV/AIDS. The project will also support the introduction of suitable farming contracts between farmer associations and the sugar mills. For both objectives smallholder farmers are the final beneficiaries of the program and it is therefore important that they are more involved in the project, according to the project fiche.\footnote{European Union. \textit{Project Fiche}.}

According to the agricultural manager of Maragra the financial support from the European Union is going to be used in order to be able to utilize the full capacity of the factory. To do so, they need to produce sugar from sugarcanes from another 1 500 hectares. The expansion is going to be made through new collaborations with more outgrowers and thereby small scale farmers are expected to gain. Investments are though not going to be made to improve the conditions for the existing outgrowers, according to the agricultural manager of the company.\footnote{De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.} At the municipality in Manhiça the opinion is that the financial support from the EU is benefiting the small scale farmers. The director of the district service for economic activities cannot say how the financial support given to the company has been used but he believes that Maragra has built draining ditches, supported associations with tractors and improved the conditions for growing sugarcanes. He is also saying that the sugar cane associations were created by the initiative of Maragra with the purpose to make it easier for the company to negotiate with the outgrowers.\footnote{De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.} Among the small scale farmers as well as at civil society organizations such as the national farmers union UNAC (União Nacional de Camponeses) there is an expressed dissatisfaction consisting of the believe that the support is supposed to develop agriculture but that it, in reality, does not benefit small scale holders.\footnote{Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07. Respondent 9; Small scale outgrower and chairman for the peasants in Munguini in Manhiça. Interview 2015-04-11. Corporate Citizenship. \textit{Mozambique Socio-Economic Impact}, 23-24.}

4.1.2 Small scale outgrowers

Maragra has 337 small scale outgrowers (using Maragra’s scale definition).\footnote{Corporate Citizenship. \textit{Mozambique Socio-Economic Impact}, 23-24.} As mentioned earlier, the small scale farmers in Manhiça are organized in sugar cane associations together with other sugar cane farmers. There are several associations that are organized in different geographical areas. Each area has a farmer union consisting of the associations that exists in the area. The small scale farmers,
from seven different households, that have been interviewed for this study are all part of the union of Munguini and of the association of sugarcane farmers in Munguini, in Manhiça.\textsuperscript{120}

Each of the seven households are using five to 12 hectares land where part is used for cultivating food crops for feeding themselves and the rest is used for cultivating sugarcanes that they are selling to the company. Two households are also cultivating bananas as cash crop in part of the area. The land used for cultivating food crops is normally located close to the house meanwhile the land for cultivating cash crops, as the sugarcane plantations, are outspread in a relatively big area, up to six kilometres away from the house. Four of the households are cultivating sugarcanes on four hectares which is the median but the size varies from two to 12 hectares. They do all sell the sugarcanes that they are growing to the company but all of them do not have a valid contract. None of them do either have DUAT, formal rights to the land they are using. They did all start to cultivate sugarcanes five to ten years ago, between 2004 and 2009 after accepting the call of proposal that they received from the company through the association. The reason for all of the households accepting the proposal was the belief that cultivating sugarcane as a contracted farmer to the company could increase the households income and that cultivating sugarcane is less labour intense than the food crops they were cultivating before. One of the respondents, that did cultivate bananas before, did also state that the climate is better suited for sugarcanes since it is raining a lot.\textsuperscript{121}

For all seven households the incomes through the sugar canes are the main, sometimes even the only, income the household has. Two households have some livestock. Among the rest some have chickens. They do all live relatively simple. Out of seven households two have electricity, one tap water, one a car and a bicycle. At the cultivation they are not using any other water source than rain which during some periods can be too heavy. They eat mostly what they cultivate which consists of food such as sweet potato, maize, cassava, vegetable and beans. When they can afford it, which is from one to a couple of times a month, they do also eat meat and fish. Most of the household members have attended some years in public school. The amount of the years attended vary a lot depended on the generation. All household members under 30 years have attended school between five and 12 years. Among the older household members there are some that have not attended school at all but the most have been going to school for two, some four and six years. They have access to medical care; healthcare in a shorter distance and a hospital a bit away. Some perceive the medicines as expensive but it is normally not impossible to afford the medicines they need.\textsuperscript{122}

\textsuperscript{120} Respondent 18; Agricultural officer for Munguini at the municipality of Manhiça. Interview 2014-05-08.
\textsuperscript{121} Respondents 9-15; Small scale outgrowers. Interviews made between 2015-04-11 and 2014-05-08.
\textsuperscript{122} Ibid.
Normally the household members are working from approximately six in the morning and for around six hours. Women are doing domestic work the first hours in the morning and are after that mainly working with the food crops meanwhile men are working with the sugarcanes all day. They are though exceptions where women also participate in the work at the sugarcane fields. Men do have the main responsibility for the sugar canes in all seven households that have been interviewed for this study. All household members are free at Sundays when they go to church and some are also free at Saturdays or choose to do some easier work closer to home. When they are sick they all take time off from work and women stay at home some weeks or months after giving birth. None of the household members are receiving or will receive any pension.123

When the respondents reflect about the impacts, of being outgrower for the company, on their life they do point at things they are not satisfied with; some of them do not have contract, the price they are getting for the sugarcanes is too low, the pricing is unclear, the company is not delivering what they promise, the company is not helping the society and the money the company receives from EU is not benefitting them. They are also pointing at things that would make them feel more satisfied. For one that would be to be able to work for the company by being employed but he is too old and the work is too heavy as it is today. For another household it would help a lot if the company would be responsible for picking up the canes after harvest and deliver them to the factory. One respondent says that it would be good if an alternative existed; if it would be another crop with a guaranteed market. Despite of this comments all respondents are expressing that they want to continue being outgrowers for the specific company because of the income it generates. Even though it is all households’ biggest income they are emphasizing that the income is not making that big difference. However, all perceive that the quality of life is better today than for an earlier generation; they can get more education, they have better houses and some have even managed to buy cattle. They do though wish life quality would be even better and some dream of having electricity.124

4.1.3 Medium and big scale outgrowers

In addition to small scale farmers there are also companies and individuals that cultivate sugarcanes in a bigger scale for selling to Maragra. For these owners the sugarcane cultivation is a business and they do have proper land rights, DUAT. Two different cases are presented below. One is based on an interview with the owner of a medium sized (according to the classification of the company)

124 Ibid.
sugarcane plantation and the other is based on a group interview with members of two associations that are leasing land for big scale sugarcane cultivation to a foreign multinational company. Information about their employees follows under the next title.

**Case 1: An individual medium scale outgrower leasing land from the state**
The sugarcane plantation is on 60 hectares. The owners have another 10 hectares where they cultivate other crops. They have had the land for ten years and did then (10 years ago) apply for legal land rights in the form of DUAT from the state which they got for 70 years. Before they leased the land the specific area was not used at all. They started cultivating sugarcanes five years ago when they, after the owners’ initiative, initiated the collaboration with Maragra. During all time they have had – and still have – a valid contract with Maragra. The reason for choosing to cultivate sugarcanes is that it is safe in the sense that they know that the sugarcanes always can be sold which is not the case for many other crops. Selling to Maragra is their only option but they are also very satisfied with that.125

In addition to the sugarcanes the household, consisting of three members, has many other incomes as well. They are owners of a funeral home and two factories. They also have around twenty cows. Even though they are growing some food crops they are buying the majority of what they eat. They have electricity, tap water, two cars and a tractor. All household members have an academic degree. They have good access to medical care in a European country - from which they originate - and are not using the Mozambican healthcare at all. They are working with all of their business during daytime, between 07.00 and 18.00, in the weeks. During weekends they are free and they do also have vacation.126

**Case 2: A big scale outgrower company leasing land from local associations**
70 km north of Manhiça in a village called Macia two local agricultural associations have recently initiated collaboration with a foreign company that will grow sugarcanes for selling to Maragra. One of the associations is Agro Pecuária consisting of 16 members that are cultivating mainly bananas, cassava, peanuts and vegetables. The other association, Akiko, consists of 18 members that are mainly cultivating rise and vegetables. The two associations are together leasing 1 120 hectares land to the company RJ Enterprise that are using 920 hectares for cultivating sugarcanes and selling them to Maragra. The rest of the area is used for cultivating rice. Apart of the area that the associations are leasing out most of the members have a piece of land that they are using for their livelihood. The two

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125 Respondent 4; Medium scale outgrower. Interview 2014-05-09.
126 Ibid.
associations have together signed an agreement with RJ Enterprise that gives the company right to lease the 920 hectares for 15 years (with start 2013) and the 200 for seven years. In exchange the associations will get 10 percent of the price given for the sugarcanes and half of the rice. The agreement was made peacefully. The associations did though accept the proposal as it was given from the company without negotiating at all. How they are going to be able to know if they do get 10 percent is also unclear and something they have not been thinking of at all.127

In connection with the above agreement the association had problems getting land rights since an external person claimed part of the same land arguing that it once had been used by his father. This was not the first time that they faced this kind of problems. They have earlier had problems with a foreign rise farmer that presented an agreement written in English and saying that eventual conflicts have to be solved in South Africa. This time the contract is written in Portuguese and says that eventual conflicts will be solved at tribunals where the land is situated.128 Problems with contracts written in English and signed without concern of the content are not unusual.129

4.1.4 Employees

One of the arguments for the establishment of companies such as Maragra is that it creates a lot of job opportunities. Indeed there are not only people employed by Maragra itself. The outgrowers - small, medium and large - are employing people for working with the sugarcanes. Maragra estimates those jobs (that indirectly have been created through Maragras presence) to between 1 296 and 5 575. Maragra itself has 1 043 permanent employees, this is though including the factory workers, and 3 760 seasonal agricultural workers at peak periods. In many cases a single employee will be the sole earner in a family with average household size in Manhiça of 4.45. The agricultural workers are the lowest paid and earn 2 572 meticais, approximately 60 euro, monthly (which might be raised since the national minimum wage was raised recently, see 4.1 Manhiça). The permanent employees receive benefits such as housing, healthcare and education allowances which also cover family members but there are no benefits for the seasonal agricultural workers. Approximately 13 percent of Maragra’s employees are women, but very few of these women are in leadership roles and there are none in senior management.130

127 Respondents 5-8; Members of associations that are leasing land to a big scale outgrower company. Group interview 2014-05-13.
128 Ibid.
129 Arnaldo Saimda, Abel; Officer for lobby, advocacy and marketing at ORAM. Interview 2014-05-05.
The small scale outgrowers interviewed for this study are employing up to 20 people each for helping them during the peak periods of land preparation and harvesting.\textsuperscript{131} There are no interviews made with people employed by small scale outgrowers in this paper because of time limitations. At the medium scale outgrower farm observed for this study there are seven permanent employees but more people are getting employed during the peak periods of land preparation and harvesting. The seasonal workers are recruited through Maragra. According to the owner of the farm all employees have good working conditions and they always receive the minimum wage of 95 meticais, approximately 2 euros, per day.\textsuperscript{132} Two of the permanent employees, that are young migrants, have been interviewed. They have been working for six months but they have no idea for how long time they are going to be there since they do not have any contract. According to them they can be redundant at any time. Both of them originate from another part of Mozambique and moved to Manhiça and the specific farm in the hope to face a brighter future. The only income they have is the salary that they are getting from the owner of the farm. One of them is working as a security guard and is getting 2 500 meticais, approximately 57 euro, per month. The respondent working at the fields is being paid per week and receives 600 meticais, approximately 14 euro. They live in a small and simple one room house in the farm that they do not have to pay for. The house does not have electricity and water. They can however, borrow electricity from the owners and they get 20 litres of water per day. There are though five family members in the household and thus need 100 litres per day. Sometimes they are taking water from a stream on the farm but when they do so they have got skin eruptions. They have no place to cultivate food crops so they need to buy the food that they need. They do normally eat vegetables with porridge (made of corn flour), meat once a month and fish a couple of times per month. They have attended school three and four years but are still illiterates. Their child that has reached school age is not attending school because of the distance. They are not owning any vehicle or having any other access to transportation which is also making the access to medical care more difficult. It is also difficult for them to afford medicines. They always work six hours a day, five days a week and are free at Sundays. They can be free when they are sick but if they of any reason fail to attend work they are getting less paid which is difficult for them to afford. The work is not as good as they were hoping before they moved and now they would like to move back home but they cannot afford the bus tickets to return to their home town.\textsuperscript{133}

\textsuperscript{131} Respondents 9-15; Small scale outgrowers. Interviews made between 2015-04-11 and 2014-05-08.
\textsuperscript{132} Respondent 4; Medium scale outgrower. Interview 2014-05-09.
\textsuperscript{133} Respondents 1 and 2; Employees at a medium scale outgrower farm. Interview 2014-05-09.
At the big scale farm observed for this study, RJ Enterprise, there are 26 people employed.\textsuperscript{134} According to the agricultural officer of Maragra the working conditions are more or less the same at the big scale outgrower farms as at Maragra’s own plantations.\textsuperscript{135} The employees at the observed big scale farm do also say that they think that they have the same contract as the seasonal workers at Maragra. They earn 95 meticais, approximately 2 euro, per day. They are though not getting paid per hours but are receiving the amount when they are finished with a certain piece of land. Their working days are therefore lasting different long depending on how fast they are working. Some of the members of the associations that are leasing the land to the company RJ Enterprise are also working for the company to increase their income.\textsuperscript{136} One of them has been interviewed for this study.

She has been working for the company for three months and is getting paid 110 meticais, approximately 2.5 euros, per day. The reason for her having a higher salary, than the normal of 95 meticais, is that she is responsible for the group that she is working with and has to stay until everyone has finished the work that they have to do every day. In addition to the income from the work at the company and from the leased land her household also has an own piece of land were they cultivate food crops such as beans and maize. The household has also other incomes from salaries from other household members; one is a teacher and one policeman. They do also have some chickens and ducks. They are getting most of the food that they need from their own cultivation but are also buying some, such as meat and fish which they are eating up to twice a month. They have a well with water outside the house and electricity inside. They have access to medical care. It is though common that there are no medicines left in the hospital and it can then be too expensive to buy medicines from private pharmacies. She has been going two years in school but her children have finished tenth class. Thereafter it is too expensive for her to have them to continue to higher grades. They have had a car earlier but do not have it anymore. The work at the company is everyday accept from Sundays and are lasting from early morning until midday. If sick she can stay at home without getting paid. They are not using any protective equipment when handling chemicals. She is saying that all jobs at the company including her self”s are informal and she is worried for what is going to happen when she is not going to be able to work anymore since she is not going to receive

\textsuperscript{134} Respondents 5-8; Members of associations that are leasing land to a big scale outgrower company. Group interview 2014-05-13.
\textsuperscript{135} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\textsuperscript{136} Respondents 5-8; Members of associations that are leasing land to a big scale outgrower company. Group interview 2014-05-13.
any pension. At the same time she is seeing the fact that they are leasing the land to the company as something positive and believes that it is going to generate some extra income.\textsuperscript{137}

### 4.1.5 Local impacts on different capital assets

Under this section additional observations from different groups that are relevant for access to different capital assets are presented. Comments on the company’s impact on access to different capital forms are made under title 4.3.

**Natural capital**

Maragra is using a lot of industrial herbicides, pesticides and fertilizers on their own sugarcane farm but they are also selling them to the outgrowers.\textsuperscript{138} By buying industrial herbicides, pesticides and fertilizers in big quantities the company can sell them for a more profitable price to the outgrowers.\textsuperscript{139} The agricultural manager of Maragra is ramming home that the company is following South African security recommendations on chemical use and are not using the most dangerous substances at all. During land preparation both Maragra itself as well as many outgrowers are using pesticides with glyphosate through the brand Roundup that is owned by the multinational company Monsanto that is big in products of and for Genetically Modified Organisms (GMO). The sugarcanes are though not genetically modified.\textsuperscript{140} All outgrowers that have been interviewed for this study are using industrial herbicides, pesticides and fertilizers on their sugarcane cultivations. The small scale outgrower farmers are saying that they have to use everything that Maragra recommends since they need to match the quality that is requested to be able to sell the canes that they grow; the better quality the higher price they get. The same farmers are not using any industrial inputs on their food crop cultivations.\textsuperscript{141}

The director of economic activities at the municipality believes, as the results of these interviews shows, that the company only has an impact on the way of which the sugarcanes are cultivated but that it does not affect the general way of cultivating in Manhiça.\textsuperscript{142} Another opinion saying that the increased value and demand of the land does impact the way of cultivating does also exist. One

\textsuperscript{137} Respondent 3; Employee at a big scale outgrower farm. Interview 2014-05-13.
\textsuperscript{138} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\textsuperscript{139} De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
\textsuperscript{140} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\textsuperscript{141} Respondents 9-15; Small scale outgrowers. Interviews made between 2015-04-11 and 2014-05-08.
\textsuperscript{142} De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
opinion is that Maragra is contributing to making the land more attractive and that it therefore is not possible to let land fallow as it is supposed to in crop rotation which is the traditional way cultivating. Outsiders perceive land lying in fallow as abandoned.143

An external consulting company is working with decreasing the environmental impact of Maragra and reducing its emissions. According to the agricultural manager there is a filter provided for reducing water pollution from the factory. Around the plantation there are no boundaries; the water is flowing straight out.144 Several incidents have occurred that people associate to the pollutions from the sugar companies in the area. In several occasions cattle have died after drinking water from watercourses in different places in Manhiça. At one occasion water samples were taken, at the initiative of the municipality. The results of the laboratory analysis did show that there were traces of oil and pesticides in the water. It was not possible to identify the source of it. However, the results showed that it was traces caused from big scale production and not from smaller farms.145 According to the agricultural manager of Maragra the pollution occurred upstream at the Xinavane mill.146 The water pollutions were found in watercourses leading to the river Incomati. At the river itself fish stock has declined and eutrophication occurred during the last years. Some cultivation around the plantations of Maragra has, according to the director of economic activities at the municipality, got destroyed because of aerial spraying intended for the plantations.147

Financial capital

The price that all outgrowers are paid for their sugarcanes is based on the market price. They receive part of the payment when they deliver the canes and the rest when the sugar has been sold and the final price is known. Finally the outgrowers get 60 percent of the price of the sugar and Maragra keeps 40.148 For the small scale growers the income from the sugarcanes is the biggest contribution to their livelihood and sometimes even the only income.149 Nevertheless, some perceive that they are getting too little paid.150

143 Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07.
144 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
145 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07.
Arnaldo Sainda, Abel; Officer for lobby, advocacy and marketing at ORAM. Interview 2014-05-05.
146 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
147 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07.
Arnaldo Sainda, Abel; Officer for lobby, advocacy and marketing at ORAM. Interview 2014-05-05.
150 Respondent 13; Small scale outgrower. Interview 2015-04-23.
Respondent 9; Small scale outgrower and chairman for the peasants in Munguini in Manhiça. Interview 2015-04-11.
In addition to the payment for the sugarcanes all outgrowers can obtain loans from Maragra for investments in their cultivations.  

De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.  

It is very expensive to get a loan in a regular bank and small scale farmers cannot afford it. Maragra’s interest rate is lower than five percent. There are two reasons for the company giving these loans. First because they need the sugarcanes and second because the regular banks are not interested in giving loans for agricultural investments; the rates are two high for making a loan profitable. Maragra is only accepting loan enquiries that they profit from and it is required that the borrower has DUAT. They need to be guaranteed to get the money back and without DUAT they cannot be it. They need a guarantee to get the money back and without DUAT they cannot be one.

De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.

The director of economic activities at the municipality says during the interview that there are less food crops cultivated in Manhiça because of the sugarcane cultivations which are raising the food prices. It is risky to depend on imported food from other districts and as it is now food security does not exist in Manhiça. One example is that a lot of tomatoes were cultivated in Manhiça years ago but today there are no tomatoes at all. Only one of the respondents complained during the interview about raised food prices (the respondents where though not asked about the issue). At Maragra they are anxious about their outgrowers cultivating food crops as well. They are investing in making 400 hectares of land, that is not fertile, suitable for agriculture and are planning to use for food crops.

Physical capital

Some of the small scale farmers have problems with floods during some periods each year and believe that Maragra has negative impact on the amount of water caused of the drainage ditches that are surrounding the company’s own plantations. The small scale farmers themselves can though not afford to construct drainage ditches. The ex-chairman of the local peasant movement also raises the issue of overflowing water from the drainage ditches around the company’s plantations. At Maragra they say that they have not built any new drainage ditches but repaired old ones that already existed before their own establishment in the area. They are though aware of the problem and the
dissatisfaction among the small scale outgrowers. Among the medium and big scale outgrowers overflowing ditches is not a problem as they can drain themselves. The drainage can be ordered through Maragra and paid through deduction of the sugarcanes. The agricultural manager is pointing out that they want the outgrowers to be independent and that Maragra has four people working full-time with providing the outgrowers with information and giving them advise.

Some of the small scale outgrowers are complaining about insufficient road infrastructure. The roads are narrow and sandy which makes the passing difficult. Sometimes the small scale farmers have to wait for a very long time until their sugarcanes are picked up. If it takes too long time to find transportation the canes can be destroyed. At Maragra they agree about the problem with insufficient roads and add that it sometimes is not possible for the vehicles to access their destination at all. This is though not anything that Maragra sees as its responsibility; the responsibility is of the state. The infrastructure around Maragras’ own plantations is very good and there is a bridge, built by Maragra that is free for everyone to use.

The associations for sugar cane farmers have been given a tractor that the association members can rent when they need, if they can afford it, which can be hard for some. None of the small scale farmers, nor the medium scaled farmer, have any irrigation system but are depending on rain water. The increased income that the collaboration with the company means is used by most small scale farmers for investing in the house (physical capital) and also in their children’s education (human capital).

Social capital
There are many voices expressing the opinion that Maragra lack transparency. The contracts with the outgrowers are pointed as an example of it. According to the director of economic activities it is very clear that Maragra lacks transparency when looking at the contracts. The contracts that were made during 2008 and 2009 are not signed and are thereby not valid even though many of the outgrowers believe that they have a contract. At Maragra they state that they do have valid contracts with all outgrowers. They are not buying sugarcanes from farmers without valid contracts. A way of getting

159 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
160 Respondent 4; Medium scale outgrower. Interview 2014-05-09.
161 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
163 De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
165 De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
166 Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07.
around it is by letting farmers, without contract, sell sugarcanes through other farmers with contract. That is though above Maragras control.\textsuperscript{167} There is also mistrust when it comes to the payment for the sugarcanes. Many of the small outgrowers express confusion about the price for the sugarcanes since they do not understand how it is priced. There is also dissatisfaction about Maragras social work, as running a school and medical centre, in the sense that is not benefitting the society but only the permanent employees.\textsuperscript{168} The same kind of arguments is also raised against the use of the financial support from EU.\textsuperscript{169} A factor that contributes to the problem is that people perceive that there is nowhere to address their claims. Many times they do not even know who the owner is or who is responsible for what they are dissatisfied with.\textsuperscript{170} The director of economic activities points to a forum that is about to be launched where representatives from Maragra and from the local community can meet and discuss with each other in attempt to solve existing problems.\textsuperscript{171} At Maragra they perceive that this kind of meetings already exists but that the problem is that the representatives from the community do not manage to appear the agreed time because they are not used to scheduling appointments and being in time.\textsuperscript{172}

**Human capital**

Maragra is selling protective equipment to the outgrowers and inform them about how to use the equipment.\textsuperscript{173} All small scale outgrowers as well as the medium scaled outgrower are using the boots and mouth protection that they are buying from Maragra.\textsuperscript{174} The employees, interviewed for this study, are though saying that they are not using any protective equipment.\textsuperscript{175}

The increased incomes, from the sugarcanes or salary, are invested in human capital in form of education. One respondent does also express that she believes that a further increased income would enable a bigger food variety, which would give health benefits.\textsuperscript{176} However, the big differences in educational level are having concrete impact in the business relations while negotiating and concluding contracts as some described cases show. There are also some more diffuse expressions as

\begin{itemize}
\item \textsuperscript{167} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-15.
\item \textsuperscript{168} Respondent 9; Small scale outgrower and chairman for the peasants in Munguini in Manhiça. Interview 2015-04-11.
\item \textsuperscript{169} Respondents 9-15; Small scale outgrowers. Interviews made between 2015-04-11 and 2014-05-08.
\item \textsuperscript{170} Respondent 16; Ex-chairman of UNAC in Manhiça. Interview 2014-05-07.
\item \textsuperscript{171} De Nascimento Valia Samuge, Sergio; Director of the district service for economic activities in Manhiça. Interview 2014-05-08.
\item \textsuperscript{172} De La Harpe, Steven; Agricultural manager at Maragra. Interview 2014-05-14.
\item \textsuperscript{173} Ibid.
\item \textsuperscript{174} Respondents 9-15; Small scale outgrowers. Interviews made between 2015-04-11 and 2014-05-08. Respondent 4; Medium scale outgrower. Interview 2014-05-09.
\item \textsuperscript{175} Respondents 1; Employee at a medium scale outgrower farm. Interview 2014-05-09. Respondent 3; Employee at a big scale outgrower farm. Interview 2014-05-13.
\end{itemize}
for example an owner mocking on his employees because of their lacking concerns in family planning.\textsuperscript{177}

\section*{4.2 Dareda}

Dareda is an administrative ward in Babati district in the Manyara Region of Tanzania.\textsuperscript{178} The city of Babati, the regional headquarter, is located 167 kilometers south west of Arusha.\textsuperscript{179} Babati district has a total population of 312 392 and the ward of Dareda a population of 22 880.\textsuperscript{180} The interviews for this study are all made in the same part of Dareda; an area before the centre of the ward and on the side of the road where the river Bubu flows. On the other side there is not enough of water and therefore all sugarcane cultivations are situated in the same area. It is a rural area and the population depends on agriculture and livestock for their livelihood.\textsuperscript{181}

\subsection*{4.2.1 Independent small scale farmers cultivating sugarcanes}

All respondents in Dareda are members of households that are dealing with small scale agriculture on their own land. The sizes of their land are between more or less half up to three hectares (one and a half to eight acres). All are cultivating food crops such as beans and maize, in the biggest part of their land and sugarcane as an addition to get incomes. None of the sugarcane cultivations is bigger than just over one hectare. They all started cultivating sugarcanes around 20 years ago because it is less labour intense but mostly because it gives a good income since the price for the sugarcanes are much higher than for other crops that was cultivated in the area, even though the price fluctuates throughout the year. Some of the respondents do also have other incomes, beside the cultivation, such as having a small shop, selling sugarcanes (that they do not cultivate themselves), building houses and feeding up animals. Working with sugarcanes is seen as man work and women are not involved in that part of the field work. Since all of them also are cultivating crops as maize and beans there is work to do for women in the fields too and some of them do also have their own business apart from the cultivation. During peak periods at the sugar cane cultivations the family members are

\begin{small}
\begin{thebibliography}{99}
\bibitem{177} Respondent 4; Medium scale outgrower. Interview 2014-05-09.
\bibitem{178} The United Republic of Tanzania. 2012 Population and housing census, 191-192.
\bibitem{179} The United Republic of Tanzania. Investment and Socio-Economic Profile, 6.
\bibitem{180} The United Republic of Tanzania. 2012 Population and housing census, 192.
\bibitem{181} The United Republic of Tanzania. Investment and Socio-Economic Profile, 7-8.
\end{thebibliography}
\end{small}
not enough as workforce and the peasants are then employing each other since their peak periods are not coinciding.\textsuperscript{182}

In all households they do mostly eat what they are cultivating and mainly food based on maize and beans (such as ugali and macande). The consumption of fish and meat depends directly on their income but they all eat fish or meat at least once a month up to twice a week. Since last year they are getting water from the river Bubu through a water pipe that delivers water of really good quality according to the respondents. For the cultivation all of them are, at least mostly, depending on rain and since sugarcanes need a lot of water it is not possible to cultivate them everywhere. The respondents have either no education at all or completed primary school. The children are though getting a higher education than their parents. They do have access, at least, physically to medical care but lack of medicines is a common problem and many of the respondents cannot afford the medical care needed for family members if it is something more complicated. The ones that own cattle have their insurance in them and can thanks to them get money when needed. Just a few of the respondents have electricity at home but they all have access to electricity. All of them have bicycles for transportation and some motorcycles. For the sugarcanes only cows are used and for rest of the cultivation they all rent tractor when needed. It is also possible to rent cows for them who do not have any by themselves. All members in the households interviewed are able to affect their own working hours and be free when they need. The working days are in general very flexible and all of them are free at least on Sundays. Some do also have longer periods of vacation between harvests. Women are staying at home for three months after giving birth.\textsuperscript{183}

All respondent express that they are satisfied with cultivating sugarcanes, since it is increasing their income, and perceive that it is contributing to a better quality of life. They are though frustrated about the fact that the market price varies and they never know how much they are going to be able to get each year after harvest. The perceived impact of switching to cultivate sugarcanes is mainly that it increases the income which enables the households to spend more money on the household, education and medical care (they are though problems in an economic sense in the way that all of them do not have enough of money if something occurs, as a sickness of a family member). Some did also perceive that it requires less work and as a negative impact some pointed at the fact that it is less water in the river now days and thought that the sugarcane cultivations could be the reason for it.

\textsuperscript{182} Respondents 16-30; Independent small scale sugarcane farmers in Dareda. Interviews made between 2014-02-20 and 2014-03-06.
\textsuperscript{183} Ibid.
In exception of one of the respondents the respondents in Dareda are not using any industrial herbicides, pesticides or fertilizers on any of the cultivations.\(^{184}\)

### 4.3 Analysis: Impacts seen through the SLA

#### 4.3.1 Natural capital

The results from the field studies show that the sugar companies are introducing the conventional way (referring to monocultures, the use of more machines as well as chemical pesticides, herbicides and fertilizers) of cultivating in Manhiça. Earlier the agricultural scene has been dominated by small family farms using crop rotation and cultivating without any industrial herbicides, pesticides and fertilizers. Today chemical additives are used in all outgrower farms that have been observed for this study.

It is interesting to compare the small scale outgrowers in Manhiça with the small scale sugarcane farmers in Dareda since they are both cultivating in small scale for their own livelihood and none of them had been using synthetic herbicides, pesticides and fertilizers earlier. The outgrowers in the Maragra case have started using chemicals on the sugarcane cultivations meanwhile the independent sugarcane farmers in Dareda are not using any chemicals. The outgrowers are not really having the possibility to choose whether to use additives or not; they are more or less forced to use what the company recommends for them to maximize the chance of getting the harvest sold for a price as high as possible. Synthetic herbicides, pesticides and fertilizers are also becoming very available for them since they can buy them from the company where they are cheaper than on the market. A factor that should not be forgotten here is the scale difference between the sugarcane plantations in Dareda and the small scale outgrowers. The small scale outgrowers’ sugarcane cultivation is a bit bigger and it might be more difficult to cultivate bigger areas without using any herbicides since there is more work with clearing weed. However, even though the outgrowers have more land both groups have a similar living standard. This might depend on the price level where they live and it is discussed further under the impacts on financial capital.

The question whether synthetic herbicides, pesticides and fertilizers are used or not is interesting since it might affect the access to different capital assets in the future. The use of synthetic inputs will probably affect the quality of the soil in a longer period of time. Monoculture in combination

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\(^{184}\) Respondents 16-30; Independent small scale sugarcane farmers in Dareda. Interviews made between 2014-02-20 and 2014-03-06.
with the use of chemicals could lead to less fertile soils and erosion which would decrease the access to natural capital asset and thereby also decrease other capital assets such as for example financial through less income from the cultivation. Moreover, resistance of weeds and insects could lead to the need of future higher use of herbicides and pesticides which could exacerbate the problems and also increase the outputs for the farmers which could make the cultivation less profitable in future.

The use of synthetic herbicides, pesticides and fertilizers does not only have an impact on the individual farmer. An increased use, through the company and outgrowers, can have an impact on other people’s livelihood as well, such as for example the cultivations that get destroyed because of the aerial spraying and the employees that have gotten problems with skin eruptions when using water from a steam close to the farm where they are working. The use of synthetic fertilizers could increase problems such as eutrophication and thereby decrease other people’s access to natural capital such as fish. The amount of industrial additives is definitely relevant even though the most dangerous substances are not used. The fact that small scale farmers do not seem to use industrial herbicides, pesticides and fertilizers today does not mean that they would not do so in future. The use on the sugarcane cultivation might be an introduction that might lead to a broader use further on. There can also be other circumstances that make the use of synthetic inputs necessary; if less land is available and crop rotation is not possible the use of fertilizers might for example be necessary. However, the development does not need to be that bad and depends a lot on the knowledge and understanding of agricultural methods. This aspect is further discussed under the impacts on human capital.

The polluted emissions from the company - and maybe also from other companies that are established in the area as a result of the presence of Maragra – do definitely also impact people’s access to different capital assets. Even though it is not possible to say whose emissions that caused the death of cattle at several occasions it is undeniable that big industries have impact on the surrounded environment. They might impact the environment and thereby people’s access to natural capital. It can also for example have a negative impact on people’s health which can make it harder for them to work and so on.

4.3.2 Financial capital

The outgrowers are through the collaboration with the company able to use their natural capital in a way that is increasing their income and thereby the financial capital. For the medium and big scale outgrowers, that have been observed for this study, the situation is different since both leased land
(that they were not using before) with the purpose to make business through the sugarcane farms. Probably the sugarcanes are not the only income or a direct matter of livelihood for all, or at least most, medium and big scale outgrowers. For the small scale outgrowers though the money from the sugarcanes is the main income. They are earning more now than they were doing before when they were cultivating only food crops. In that sense the bigger access to financial capital is also enhancing other capital assets since they can afford to go to school and get better living standard which are good pre-conditions to get incomes in future.

These benefits as well as the impact on the financial capital are the same for the independent small scale farmers in Dareda even though there is not a company present there. This indicates that the increased income is a result of switching from only cultivating food crops to partly cultivating cash crops. However it might be a bit more secure to sell to the company since they through the company can reach a bigger market than an individual small scale farmer can do (which is also making them dependent). An interesting aspect here is though that the small scale outgrowers in Manhiça in a sense are competing with the medium and big scale outgrowers that are more profitable partners for the company since they are delivering more sugarcanes with less logistics. The company does not want to collaborate with farmers that are cultivating sugarcanes on less than five hectares and there is thereby a risk for the small scale outgrowers, in particular in their ability to make their voice heard and influence (see more under social capital).

Another important aspect through a livelihood perspective is that bigger sugarcane cultivations are generating incomes to less people per hectare than smaller cultivations do. Furthermore bigger plantations are mostly contributing to people’s livelihood through employments that in most cases are seasonal and precarious. In addition they are also very low paid; the respondents interviewed for this study are working without papers and getting less paid than the already low minimum wage (that is much lower than a living wage). Two of the employees interviewed are migrants. That might indicate that jobs are not generated to the local community since these jobs are not attractive enough for the locals. Instead jobs might be taken by distant migrant workers "dreaming" of a better future elsewhere.

An important perspective that must be part of the discussion of access to financial capital is whether income increases are real or nominal. A risk of letting the agricultural scene be dominated by one commercial crop is that less food crops are cultivated and thereby the price for food will probably increase. If a household gets increased incomes but in the same time needs to spend more money,
equivalent to the increased income, on food (either because they are cultivating less food or because the food price increase) there is not a real increased access to financial capital. Manhiças citizens are very vulnerable to increased food prices since they are spending a very big proportion of their income on food. Food prices are though not the only prices that might increase due to the company’s establishment in the area. Manhiça is, through the company’s establishment, attracting more investors which has an impact on the whole district. While more and more people with bigger access to financial capital immigrate to Manhiça the prices are driving up. Thereby the impact of a household’s access to financial capital depends on if the income increases - and if it does so - if the increase is bigger than the increased costs of living. The small scale farmers perceive that they have gotten more money to invest on their house and education. It is though not sure that it will be so even further on. For those who have not benefited at all economically, by the presence of the company, the access to financial capital asset has probably decreased. Outgrowers that already have access to financial capital are also having more possibilities to strengthen their access to financial capital since they can take part of the loans obtained by the company but also of services that the company offers that can strengthen the financial capital through other capital assets, such as preparing the soil and building drainage systems.

4.3.3 Physical capital

The establishment of bank offices as well as the super market Shoprite is seen as a positive impact of Maragra’s presence. However, these companies are not local and their profit is therefore probably not staying in Manhiça. Their services are probably consumed by people with strong financial capital and do not, in that sense, make any difference for the majority of the citizens in Manhiça. On the other hand they might contribute to attract other investors and could thereby generate more job opportunities. A discussion of job opportunities contribution to livelihoods is made above were the financial capital is discussed. There, some arguments are also found about prices that are increasing which might be a consequence of the increased access of infrastructure in form of banks and super markets too.

A result of the size of Maragra’s factory mill is big quantities of sugarcanes which are generating infrastructural problems in Manhiça. On one hand the place is chosen, as earlier research show, for having good infrastructure in the sense that the main road is passing by the district and connecting it with the rest of the country. On the other hand the roads around the outgrowers’ fields are not

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suitable for big transportations. It is interesting to compare with Dareda since both places are rural. The difference is that it, in the case of Dareda, there is no need for big roads since the farmers are not dealing with any big quantities and do not need to transport all canes at the same occasion. The collaboration with Maragra is though making the outgrowers perceive the rural roads as a problem. Hence, the access to physical capital is not sufficient anymore even though it might have been so before the establishment of the company in the area. This aspect is connected to the question of increasing price levels since it can lead to the need of dealing with bigger quantities of land and harvests and does thereby put a bigger pressure on physical capital in form of infrastructure. The company has increased the access of physical capital through for example the bridge that they have built but that is not equivalent to the increased need and demand that has occurred as a consequence of the company’s development. The local community do also perceive an increased need of drainage systems or other constructions that will decrease the problems of too much water and flooding. In this case it is though the municipality that is taking the responsibility for that and not the company. A discussion about responsibility follows under social impact.

The government’s expectations on sugarcane companies to contribute with energy supply have not been responded. Since the company is self-sufficient on electricity the local society is not negatively affected but people’s livelihood is neither enhanced by increased access to energy.

4.3.4 Social capital

The company has initiated the creation of the sugarcane associations which can be seen as an enhancement of social capital for the small scale outgrowers. Through the associations it is possible for the small scale outgrowers to have a united and thereby stronger voice. On the other hand their voice is losing power since the company has a big advantage since there is no risk for the company to lose their sellers. The dependence is bigger from the small scale outgrowers’ perspective. The uneven power balance that exists between the small scale farmers and the company is resulting in lack of reputation capital. Some of the small scale outgrowers perceive that they do not have valid contracts which makes them feel inferior and mistrust the company. One important reason for mistrusting is the knowledge of the financial support that the company receives from the European Union and that is aiming to benefit the small scale farmers.

At the company they perceive that they are doing business and have no responsibilities further than that; improvements in the society are on the responsibility of the government. The local community though has strong expectations on that the company will help and benefit the society. There is a need
of lot of investments to be done but the company does not see those things as its responsibility. Needed investments can be building functional road for transporting the sugarcanes in the fields or contributing with infrastructure to decrease the problems caused by too heavy rains. The municipality is trying to do something about the problems - by for example constructing the artificial lake - but does not have the capacity to do as much as is needed. According to the information in the project fiche at the European Union the financial support is supposed to be used for among others construction of field roads and designing, installation and commissioning of drainage systems. It is also expressed that smallholder farmers are the final beneficiaries of the program. Thereby it is not motivated that the company is using the money exclusively for benefiting their own profit through the increased use of the mills capacity by initiating new collaborations with - among others – smallholders (which is not the case if using the local classification). The small scale outgrowers’ mistrust and dissatisfaction is consequently not unfounded.

However the small scale outgrowers’ mistrust is also directed towards the company for other issues as the pricing of sugarcanes. An interesting observation is that the small scale sugarcane farmers in Dareda express the same frustration about the fact that they never know how much income next harvest is going to generate. In this case though, the frustration is directed towards the market. Fluctuation in the market is probably the reason for the variation in price for the sugarcanes in Manhiça too although the company is a more clear “enemy” and thereby easier to blame for different things that each one is dissatisfied with.

Many civil society organizations seem to be strengthened through the establishment of the company in the area. They have somehow a clear mission and allow people to unite towards external investors.

However, for the employees there is a lack of social capital. The big scale farms seem to have migrant employees that lack basic social capital such as family ties. In addition to that many employees are working without papers and have therefore no access to any union and they are probably too dependent of the work to be able to demand their rights. The fact that they do not have a context and can make their voice heard might impact their self-confidence and thereby their ability to act for a better livelihood. The medium and big scale outgrowers do probably not perceive the same kind of problems as the employees and the small scale outgrowers because they have more power in relation to the company. The power relation is more equal since the company depends more on them and they have probably stronger human capital – in the sense of for example language skills and education - which is a great asset. This is though also contributing to a composition of the society that is very unequal. The establishment of the company in the area seams to contribute to
making the society more hierarchical with more vertical social structures. The company has huge impact on the society as well as power upon the livelihoods of certain households. It attracts other investors from abroad (or at least outside the district) with different pre-conditions than the locals and contributes to the construction of a society with different levels of groups depending on each other but having more and less power. This can be illustrated as a pyramid where Maragra is in the top followed by the big- and medium scaled outgrower, the small scale farmers further down and last the employees, see figure 1. When the position in the hierarchy depends on the relation towards the company there is a risk that it can lead to some voices – as civil society organizations as well as peasant associations – being weakened and less influential in the society.

**Figure 1.** Illustration of the relations between the company and the groups with which it relates.

### 4.3.5 Human capital

As mentioned under social capital some of the problems as mistrust can originate from lack - compared to the business partner - in human capital in form of education. For many it is for example hard to understand how the pricing is being done which is leading to frustration. There are also other implications that occur because of lack of specific knowledge that is needed when collaborating with the specific companies. The small scale outgrowers as well as the peasants in the associations that are leasing land to the big scale outgrower are not used to paper documents as contracts. The small scale outgrowers are not aware of the fact that a signature is needed for a paper to be valid and the peasants in the associations (that are leasing land to the big scale outgrower) are not observant about the content in the contract. They have not been thinking about preventing being deceived with the compensation they are supposed to get by for example including that the company has to be transparent about its incomes in the contract. In that way they could know that the money they received was equivalent to the 10 percent agreed. If they would be more accustomed negotiating they could probably also manage to get a more benefiting deal, as for example white jobs. A stronger
human capital could thereby prevent some dissatisfaction and make the partner relations more equal. That is also how it is for the medium scale farmer interviewed for this study that expresses that he is satisfied with the collaboration.

Education seems to be crucial for the impacts on livelihood and relation to the company. It is thereby very positive that the small scale farmers use the increased access to financial capital for investing in their children’s education. Even if it makes a difference of a few years these years can make a big difference since many that have attended school for few years are still illiterate. Some more years could probably conduce to that the person will be able to read and write and be able to use this knowledge in everyday life. If the small scale farmers are going to be able to continue investing more on education in future is also depending on how price levels develop as discussed under financial capital. On the other hand it is not possible to say that the increased incomes are the only reason for the difference in years attended in school that exist between the generations. It could also be a result of the overall development that is taking place of natural reasons since it was civil war in the country just a generation ago. It is also worth to point the fact that the perception of having more money to spend on education seems to be the same of switching to cultivate sugarcane as a cash crop independently (as in the case in Dareda) as of becoming a small scale outgrower (as in the case in Maragra). Some do also tell that they can afford better food and investments in the house which can contribute to better health and thereby have a positive impact on the financial capital.

Another benefit of switching to cultivating sugarcanes as cash crops - irrespective of doing so independently or as an outgrower - is that it is giving the farmers some more spare time since it is less labour intense. Another valuable impact on human capital is that the people, through the company, get knowledge about using protective equipment which can prevent negative impacts on health. To prevent other negative impacts on health and the natural environment, knowledge about sustainable agriculture would be needed. This was supposed to be a part of the project that the company is running with the European Union but the company did not make any proposal on this part. The company’s experiment with crop rotation could possibly be the start for a venture of this kind. This initiative could though also be taken from the government, municipality or a civil society organization. The access to human capital in form of knowledge will be crucial to determine whether the impact of the company’s establishment will be mostly positive or negative in a longer term. By increasing human capital, partners can be more equal and better prevent risks that may arise.
5. Discussion

The aim of this study has been to put attention on the complexity and give a holistic picture of long term impacts, of the establishment of the studied company, on local livelihoods. Impacts in different capital assets have been identified and analysed. However, the results are very general and there are several aspects that have been discovered during the process of this study that could be interesting for future researchers to study more in depth. Some of these aspects are discussed briefly below.

The financial support that the company is receiving but that is aiming to benefit small holder farmer is worth more investigation. It would be interesting to look deeper at the aim of the support and how this has been used. Some of the parts that are supposed to be included in the project are aspects that many respondents have highlighted as problems when they have been talking about how they perceive the presence of the company in the area. It is tempting to think that the aim of the project could be better reached by distributing the support closer to the smallholder farmers that the project is aimed to. To strengthen their livelihoods in a sustainable way the associations could be supported with machines that could enable them to process some of the crops that they are cultivating and thereby reach a bigger market and make bigger profit. They could also get financial support to be able to prepare land that is not used for agriculture today. A good investment would be to educate people in agroecological farming practises so that they would be able to increase harvest without expensive inputs and also be able to resist and prevent impacts of among others climate change. This could be done in collaboration with the farmer union which would also strengthen civil society and people’s access to social capital. It would probably also be a good idea to collaborate with the municipality to take action against flooding. By distributing to different actors the project would also be less vulnerable. As it is today many things are unclear and a big gap exists between the company and the local society. The classification of farms in small, medium and large is a clear example. In the local society, according to the municipality, farms less than one hectare are seen as small, one to five as medium and everything above five as big scale. At the company everything less than 20 hectares is seen as small and they are not interesting in collaborating with farmers that have cultivations that are less than five hectares. How is then small holder farmers supposed to be reached when, according to the reality of the local society, only big scale farmers are in the target group? Probably it will attract investors from outside with bigger access to financial capital than the locals and then another question needs to be answered. How does that impact the society and smallholder farmers’ livelihood?
Cultural clashes are central when studying impacts of big scale companies in rural areas. Some of the clashes are in this study analysed as different access to capital assets. It should though also be discussed as a matter of culture and class. The values represented of the company are always superior and seen as the right way of being and acting. At the company they condescend to the small scale outgrowers because they are not punctual and the medium scale farmer condescend to his employees (with different socioeconomic background) because they are getting several children in young age without having good economy. This in combination with the hierarchy that seems to occur as an impact of the company’s establishment is linking to De Haan and Zoomers reasoning about eligibles and ineligibles with conflicting interest that could get further consequences to the society.\textsuperscript{186} A postcolonial aspect when analysing the relations would give another in this study missing dimension.

\textsuperscript{186} De Haan and Zoomers. Exploring the frontier of livelihoods research, 33-34.
6. Conclusion

The aim of this study has been to identify impacts of the establishment of the studied company on local livelihoods. The impacts are complex and there is a need of further investment and more respondents. However the main results of each research question, based on the data collected for this study, are summarized below.

Based on the data collected for this study and seen through a sustainable livelihood approach, the most significant impacts of the company's activities on the capital basis of the various groups with which the company relates are as follow:

- The use of synthetic herbicides, pesticides and fertilizers increase which might affect the access to natural capital and thereby also to other capital assets in the future. The whole society might be affected through impacts in common natural reserves such as water sources and also farmers through impacts on their land, such as less fertile soils, weeds resistant to herbicides and erosion.

- Polluted emissions from the company might impact people’s access to different capital assets, such as decreased financial capital because of negative impacts on cattle.

- In short term farmers can use their natural capital in a way that is increasing their income and thereby the financial capital by cultivating sugarcanes to the company. The bigger access to financial capital is also enhancing other capital assets since they can afford to go to school and get better living standard which are good pre-conditions to get incomes in the future.

- In longer term locals’ access to financial capital might decrease since the company’s activities attract more and more people with bigger access to financial capital which will probable drive up the prices in the district. Incomes need to increase more than prices for that not to happen.

- Jobs are generated but bigger sugarcane cultivations are generating incomes to less people per hectare than smaller cultivations do. Since the created jobs often are seasonal, precarious, informal and very low paid local livelihoods may weaken. If jobs are not attractive enough for the locals they will be taken by distant migrants and thereby not strengthen livelihoods in the local community.

- The access of physical capital has increased but that is not equivalent to the increased need and demand that has occurred as a consequence of the company’s activities, such as infrastructural problems generated by the need of transporting big quantities of sugarcanes and increased need of drainage systems.
• Small scale outgrowers’ and employees social capital weakens as a consequence of the more vertical social relation in form of the uneven power balance that exists between them and the company. This can be seen by the inability to act for improving the causes of mistrust and dissatisfaction. The inability of making their voices heard might impact their self-confidence and thereby their human capital and ability to act for a better livelihood.

• The establishment of the company in the area seems to contribute to making the social structures in the society more vertical where the position in the hierarchy depends on the relation towards the company. This might lead to decreased social capital for the less influential in the society.

• Small scale outgrowers’ human capital seems to increase by the activities of the company among others through access to the increased financial capital that is invested in their children’s education. Many perceived problems originate in lack of human capital. An increased access could prevent some dissatisfaction and make the partner relations more equal. By increasing human capital, partners can be more equal and better prevent risks that may arise. Therefore the access to human capital in form of knowledge will be crucial to determine whether the impact of the company’s establishment will be mostly positive or negative in a longer term.

The groups that seem to be benefiting the most and the least from their interactions with the company can be summarized as follow:

• Groups with stronger financial and human capital seem to benefit the most from their interactions with the company since they can take advantage of the benefits that can be given by the company and can negotiate with the company on a more equal basis. The medium and big scale outgrower farmers are part of this group and they do not seem to be part of the local community.

• Groups with weak financial and human capital seem to benefit the least from the interactions with the company since they have an unequal power relation with the company. They are getting dependent on the company directly or indirectly (through medium and big scale outgrowers) and are not able to negotiate with them. The migrant employees are part of this group but also locals that compete with them for the low paid jobs. People that are not interacting with the company are probably also among the groups that are benefiting the least from the company’s activities since they are not benefiting in any way but they are affected by rising prices and negative impact on the environment.
The pilot study made in Dareda give an indication of which impacts that seem to be a result of the company’s activities and which impacts that probably are results of switching to partly cultivate cash crops. A comparison of the case study and pilot study shows that:

- The increased use of synthetic herbicides, pesticides and fertilizers probably is a result of the company’s activities and not a result of switching to partly cultivate sugarcanes.
- The increased access to financial capital among outgrowers probably is an impact of switching from only cultivating food crops to partly cultivating sugarcane as cash crop and could in small scale be reached without the presence of the company.
- The increased need of physical capital in form of infrastructure probably is a result of the company’s activities and would not be the same if local farmers would switch to partly cultivate sugarcanes without the presence of the company.
- Frustration among small scale farmers would probably exist even if the company would not be present. However, the company is a very clear “enemy” that easy can be blamed for different things that each one is dissatisfied with.
- The development of the society being more hierarchical and unequal seems to be a result of the company’s activities since distant investors with bigger access to financial capital would probably not be attracted without the presence of the company.

The Sustainable Livelihoods Approach has been a good tool for analysing the impacts of the company’s activities since it gives the ability to put the local people’s perceptions in centre and reflect the complex range of assets and activities on which people depend for their livelihoods. The results may contribute to understand the impacts that may occur by the establishment of big, often foreign, companies in rural areas in developing countries but need to be analysed together with results from other case studies to be generalizable. This study can also be used as groundwork for future studies of the same case but with a more specific scientific question.
7. References

(Accessed 2015-01-03)


Mozambican law: Lei do Ordenamento do Território, Lei n˚ 19/2007, de 18 de Julho.


8. Appendix

8.1 Interview manual

Name, age, members of household

Land and relation to the company
1. Do you have proper land? Do you have DUAT?
2. How big is the land area? How many hectares?
3. For how long time have you been using the land?
4. Do you have any relation to Maragra? (For example cultivating sugarcane for them...)
   a. How much do you receive for the sugarcanes?
   b. Why did you choose to cultivate sugarcanes?
   c. What are the sugarcanes used for?
   d. How many sugarcanes or tones are growing on your land each year?
   e. Do you have any contract with the company?

Cultivation
5. What are you cultivating? In how many hectares?
6. Who is working with the cultivation? Do you have any employees?
7. Do you use any synthetic herbicides, pesticides or fertilizers?
8. Do you perceive any problems with your cultivation?
9. Have the way of cultivating changed in any way?

Incomes
10. Do you have any other incomes? What kind of incomes?
11. Do you have any cattle? How many?
12. How much do you have for living every year?

Food
13. What are you normally eating? How often do you eat fish or meat?
14. How much do you cultivate and how much do you buy?
15. How was it before? Has anything changed?

Water
16. From where do you get water for the cultivation, (the cattle) and for drinking and cleaning?
17. Do you have access to enough water?
18. How do you perceive the water quality?

**Education**
19. What education do you and your children (or other household members) have?
20. If someone in the family attends school where does he/she go? What kind of school is it? Private, governmental? How do they go there?

**Medical care**
21. Do you have any access to medical care?
22. Can you afford the medical care that you need?

**Energy**
23. Do you have electricity or access to electricity?
24. What do you use for transporting yourself? Do you have any vehicle?
25. Do you have any tractor or access to tractor?

**Working conditions**
26. How does a normal working day look like? Working hours, income/salary, protection, vocation, parental vocation, pension…
27. If you are employed what kind of contract do you have?
28. Do you get any benefits?
29. What do you think about your employer?

**Ending questions**
30. If you could choose today would you have done anything different (when it comes to switching crop etc.)?
31. Has your quality of life changed in any way (since you switched to partly cultivate sugarcane, leasing land to the company etc.)?
32. How do you perceive your quality of life if you compare with your parents or how it was when you were a child in comparison with how it is for your children today?