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Declaration

I, (name), declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Signature.....



Date: 15.08.2012

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Abstract

The last decade the world has seen a sharp rise in the number of large-scale land acquisitions in developing countries, and particularly in Africa. This study investigates one particular case: The Sanga plantation in Mozambique, which was initiated by and is operated by the Norwegian company Green Resources.

The study applies a case study design to examine the local social and economic effects of the plantation that came into operation in 2007. Based on mainly qualitative methods study, and within the frameworks of political ecology and narrative analysis, the study look into a range of issues, including how and if villagers benefit from the plantation, what kind of local employment the plantation create, how the plantation has affected local people's access to different types of natural resources and how local people feel they were involved in the land acquisition process. The primary area of focus is the village Malulu, which is the largest village bordering the plantation.

The key findings from Sanga show that despite the fact that the plantation provides an income for 215 families in Sanga, there are several problematic social and economical issues that are the result of the plantation and how it is run. Worsened access to local natural resources, unresolved compensation cases, very low salaries and uncertain working conditions and a lack of a community development plan with specific goals and timelines were among the concerns raised during my fieldwork.

Based on the findings, this thesis argues that the social and economic effects of the Sanga plantation do not live up to the win-win situation depicted in Green Resources company reports. It furthermore argues that based on the International Land Coalition's definition of land grabbing and UN Special Rapporteur on the Right to Food, Olivier De Schutter's, principles for including human rights in large-scale land acquisitions, Green Resources acquisition of land in Sanga falls within the category of land grabbing.

TABLE OF CONTENTS

DECLARATION	II
ACKNOWLEDGEMENTS	III
ABSTRACT	IV
ACRONYMS AND ABBREVIATIONS	VIII
1 INTRODUCTION	1
1.1 OBJECTIVE OF THE STUDY	1
1.2 STRUCTURE OF THE THESIS	2
2 ANALYTICAL FRAMEWORK	4
2.1 POLITICAL ECOLOGY	4
2.2 NARRATIVES	5
2.2.1 THE WIN-WIN NARRATIVE	6
2.2.2 THE LAND GRABBING NARRATIVE	7
3 THE RUSH FOR AFRICAN LAND – OVERVIEW, PERSPECTIVES AND RESEARCH	9
3.1 A GLOBAL PHENOMENON	9
3.1.1 SCALE AND SIZE	9
3.1.2 DRIVERS	10
3.2 PERSPECTIVES ON COMMERCIAL LAND ACQUISITIONS IN AFRICA	11
3.2.1 THE WORLD BANK VIEW	11
3.2.2 A HUMAN RIGHTS PERSPECTIVE	12
3.2.3 PRIMITIVE ACCUMULATION	14
3.3 PREVIOUS RESEARCH FINDINGS	15
3.3.1 KEY FINDINGS	16
3.3.2 A SELECTION OF CASES	17
4 GREEN RESOURCES	21
4.1 HISTORY, INVESTORS AND BUSINESS PROFILE	21
4.1.1 SHAREHOLDERS	21
4.1.2 BUSINESS PLAN AND CURRENT OPERATIONS	22
4.1.3 MISSION, VISION AND VALUES	23
4.2 GREEN RESOURCES IN MOZAMBIQUE	24
4.2.1 NIASSA GREEN RESOURCES	24
4.2.2 MALONDA FOUNDATION	25
4.3 THE SANGA PLANTATION	25

4.3.1 CLIMATE AND GEOGRAPHY	26
4.3.2 FSC CERTIFICATION	26
4.3.3 MALONDA FOUNDATION'S ENVIRONMENTAL IMPACT ASSESSMENT	26
5 SOCIO-ECONOMIC AND GEOGRAPHICAL CONTEXT	30
5.1 MOZAMBIQUE: POLITICAL AND ECONOMIC PERFORMANCE	30
5.1.1 DEMOCRATIC CHALLENGES	30
5.1.2 ECONOMIC PERFORMANCE	31
5.2 LAND RIGHTS AND LAND INVESTMENTS IN MOZAMBIQUE	31
5.2.1 THE RIGHT TO USE AND EXPLOIT LAND	31
5.2.2 PROCEDURES FOR LEASING LAND	32
5.2.3 THE SCALE OF LAND INVESTMENTS IN MOZAMBIQUE	33
5.3 NIASSA PROVINCE	33
5.3.1 ECONOMY AND HEALTH	33
5.3.2 INFRASTRUCTURE	34
5.4 SANGA DISTRICT	35
5.4.1 ECONOMIC ACTIVITIES	35
5.4.2 CULTURE, HEALTH AND EDUCATION	35
5.5 MALULU VILLAGE	36
5.5.1 SOCIO-ECONOMIC PROFILE	36
6 METHODOLOGY	38
6.1 RESEARCH STRATEGY	38
6.1.1 ONTOLOGY	38
6.1.2 EPISTEMOLOGY	39
6.2 RESEARCH DESIGN	40
6.2.1 TYPE OF CASE STUDY	41
6.2.2 GENERALIZATION	41
6.3 SAMPLING PROCEDURES	42
6.3.1 INFORMANTS	42
6.4 DATA COLLECTION	42
6.5 ETHICAL CONSIDERATIONS	43
6.5.1 INFORMED CONSENT	43
6.5.2 ANONYMITY	44
6.5.3 RECIPROCITY	45
6.6 OTHER PRACTICAL ISSUES	45
6.6.1 ACCOMMODATION	45
6.6.2 THE LANGUAGE BARRIER	46
6.6.3 TRANSPORT	46
6.7 CODING	47

6.8 LIMITATIONS	47
<hr/>	
7 KEY FINDINGS FROM THE FIELD STUDY	48
<hr/>	
7.1 IMPACT ON ECONOMY AND LIVELIHOODS	48
7.1.1 AN INJECTION OF CASH	48
7.1.2 IMPACT ON FOOD PRODUCTION	49
7.1.3 A CALCULATION	50
7.2 IMPACT ON ACCESS TO LAND AND RESOURCES	52
7.2.1 THE STORY OF FOUR FARMERS	53
7.2.2 THE CASE OF MALICA	54
7.2.3 CONSULTATIONS	57
7.3 WORKING CONDITIONS	57
7.3.1 CONTRACTS	58
7.3.2 SALARIES	59
7.4 COMMUNITY DEVELOPMENT	60
7.4.1 PROJECTS AND GRANTS	61
7.4.2 DEVELOPMENT PLAN AND CONTRACTS	61
7.5 OTHER ISSUES	62
7.5.1 BROKEN PROMISES AND DELAYS	62
7.5.2 SCHOOLING, HEALTH AND CRIME	62
7.5.3 EMERGING MONOCULTURES	63
7.6 SUMMARY OF FINDINGS	64
7.6.1 DO VILLAGERS WANT THE COMPANY TO STAY?	65
8 DISCUSSION: NARRATIVES AND FINDINGS – HOW DO THEY MATCH?	67
<hr/>	
8.1 SANGA AND THE WIN-WIN NARRATIVE	67
<hr/>	
8.2 SANGA AND THE LAND GRABBING NARRATIVE	68
<hr/>	
8.3 IS GREEN RESOURCES A LAND GRABBER?	70
<hr/>	
9 CONCLUSION	74
<hr/>	
REFERENCES	76
<hr/>	
APPENDICES	80
APPENDIX 1: LIST OF INTERVIEWS CONDUCTED	80
APPENDIX 2: INTERVIEW GUIDES	82
APPENDIX 3: SHAREHOLDERS IN GREEN RESOURCES	83
APPENDIX 4: MAP OF THE SANGA PLANTATION	84

Acronyms and abbreviations

CDM	Clean Development Mechanism
CEO	Chief Executive Officer
DUAT Land)	Direito de Uso e Aproveitamento de Terra (the Right to Use and Exploit Land)
EIA	Environmental Impact Assessment
FAO	Food and Agriculture Organization of the United Nations
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GPS	Global Positioning System
GR	Green Resources
HDI	Human Development Index
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFPRI	International Food Policy Research Institute
IIED	International Institute for Environment and Development
ILC	International Land Coalition
MC	Management Committee
MF	Malonda Foundation
NGO	Non-governmental organization
NGR	Niassa Green Resources
NOK	Norwegian krone
Norad	Norwegian Agency for Development Cooperation
Norfund	Norwegian Investment Fund for Developing Countries
SIDA	Swedish International Development Cooperation Agency
STD	Sexually transmitted disease
UMB	Norwegian University of Life Sciences
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
USD	United States dollar
VCS	Verified Carbon Standard

1 Introduction

In 1995 former deputy member of the Norwegian parliament, Mads Asprem, established Fjordgløtt AS, which later became Green Resources (GR). During the following 17 years GR has acquired large tracts of fertile land in sub-Saharan Africa, and today the company is by far the largest Norwegian in the forestry sector. GR describes itself as a plantation, carbon offset, forest products and renewable energy company, and has invested more than 100 million USD in Africa. The company operates in Mozambique, Tanzania, Uganda and South Sudan, and has offices in London, where the headquarters are located, and in Oslo. On its website GR claims to be “Africa’s leading forestation company”, and the company was also the first forestry company in Africa to be certified under the Clean Development Mechanism (CDM) of the Kyoto Protocol in 2011 (GR, 2012b). This means that GR is certified to sell carbon credits on the world market. Among the customers is the Norwegian government, who has promised to buy carbon credits worth 10-12 million NOK (1,8-2,1 million USD). The company has also received funding from both Norwegian and international donors, including Norad. Green Resources has planted millions of pines, eucalyptus trees and other tree species on African soil so far and continues to plant more trees on the continent every day (Bjergene, 2012).

GR persistently claims to focus on sustainability and local community development. In interviews, in reports and on the company website GR representatives depict their plantation business in Africa as a win-win situation; the company wins, the climate wins, and African local communities win. In other words: more money for the investors, less CO₂ in the atmosphere, more money and development for the local communities, and furthermore increased tax income to the African host country. The motive behind the fieldwork ultimately leading to this thesis was that I wanted to look closer at GR’s win-win narrative in order to see whether locals affected by the company’s business activities echo this narrative, and more concretely to see how the company’s operations have affected local communities socially and economically. This motive led me to Niassa and the Sanga plantation in Mozambique.

1.1. Objective of the study

During October and November 2011 I conducted fieldwork for this Master’s thesis in Niassa province in northwest Mozambique. The study, which has a case study

design, seeks to address how local villagers have been affected socially and economically by the Green Resources' land acquisitions, investments and activities in the region.

The general objective of the study is to assess how villagers adjacent to the Sanga plantation in Niassa have been affected socially and economically by Green Resources' land acquisition and plantation operations in the district. The key focus has been on Malulu village, which is the largest village adjacent to the plantation.

Accordingly, the research question of the thesis is:

What are the social and economic consequences of the Sanga plantation for people living in Malulu village in Niassa, Mozambique?

More specific questions to be investigated include:

- How does Malulu currently benefit from the plantation?
- Does clear contracts and agreements on what kind of social and economic benefits local communities will get exist? (e.g. schools, roads, wells etc)
- Did local people feel they were properly involved and compensated during the process of land acquisition?
- What kind of local employment does the plantation create, and how are the working conditions and salaries?
- What has happened to the local people's access to resources after the land acquisition?

These questions, in addition to several other related questions, indicate what I have sought to investigate. The primary focus of the field study is thus, as you can see, on the situation of the people that have most profoundly felt the impact of Green Resources entry into Niassa, namely villagers living next to the plantation.

1.2 Structure of the Thesis

The thesis is divided into nine parts. The next chapter gives an outline of key concepts and definitions used in this thesis, including two opposite narratives. The third chapter forms the theoretical backbone informing the discussion and analysis later in this thesis. It looks at literature on large-scale land acquisitions and examines research conducted on the socioeconomic impact of such acquisitions. The fourth

chapter provides background information on and a description of Green Resources as a company. It also gives a description of the Sanga plantation. The fifth chapter looks at the socio-economic and geographical features of the country, the province, the district and the village where the study was conducted. Chapter 6 outlines the methodology used during my fieldwork, while chapter 7 outlines and elaborates the key findings. In chapter 8 I analyze and discuss these findings, in light of the narratives and literature review presented earlier, while chapter 9 sums up conclusions based on the findings and analysis.

2 Analytical framework

This chapter presents the framework for the analysis of my findings. The narrative analysis will build on the two narratives that are outlined in sections 2.2.1 and 2.2.2.

2.1 Political ecology

Although not mentioned explicitly many times in this thesis, political ecology as an academic field, serves as a theoretical framework and a backdrop for the methodology, analysis and discussion in this thesis. Political ecology is not an easy term to define. The term might lead you to believe that it is about how politics affect the ecology on global, national and local levels. Partly it is so, but the term is wider. Paul Robbins (2012) defines political ecology as a 'community of practice'. Furthermore, Robbins adds that political ecology is 'the quality of a text'. None of these definitions are particularly easy to grasp. Robbins emphasizes that political ecology is *not* a single theory or a method. Rather, what characterizes the academic field is the use of a wide range of theories and methods. Political ecology is often tied to social science methodology, but not restricted to it. Natural scientific methods are in the huge toolbox of this eclectic field. Political ecology draws theoretical inspiration from academic fields like discourse and narrative analysis, peasant studies, historical materialism, hazards studies, critical geography, and common property theory, to mention some (Robbins, 2012). Blaikie and Brookfield (1987: 17) offers another commonly used definition: "The phrase 'political ecology' combines the concerns of ecology and a broadly defined political economy. Together, this encompasses the constantly shifting dialectics between society and land based resources, and also between classes and groups within society itself."¹

Benjaminsen and Svarstad (2010) mention three processes that are central and important in political ecology. First, it is common with a focus on the establishment of businesses that in one way or the other is problematic to the local communities in the area where the business is established, e.g. mining, agriculture or the building of dams. Secondly, political ecology often investigates environmental change, like for example deforestation, and its causes and effects, often with a critical edge towards

¹ Despite the broadness of this definition, it should be noted that the term can be perceived even wider, for example by including water and ocean based resources in addition to the land based resources mentioned in Blaikie and Brookfield's definition.

the dominant ideas about causality in these processes. Thirdly, political ecology looks at conservation and other measures aiming to protect the environment, for example the establishment of carbon offset plantations. Moreover, political ecology is not a sub-genre within the mainly natural scientific field of ecology, but rather an eclectic approach mainly within the social sciences (Benjaminsen & Svarstad, 2010). Robbins (2012) describes political ecology as an alternative approach to what he calls “apolitical ecology”. The most widespread views within so-called apolitical ecology are the “ecoscarcity perspective” and the “modernization and win-win perspective”. In short, the first perspective focuses on demographics (over-population) as the main cause of environmental degradation and destruction, particularly in developing countries. The second perspective focuses on how Western technology and capital can prevent this type of degradation and environmental destruction in developing countries and create a win-win situation for investors, local communities and the environment. Political ecology combines concerns of political economy and political ecology’s predecessor *cultural ecology*^{*}, and looks for more nuanced explanations to the problems, and focus particularly on the politics and power structures leading to desired or undesired environmental and social outcomes (Benjaminsen & Svarstad, 2010; Robbins, 2012).

2.2 Narratives

Narrative analysis is a central tool for many political ecologists, and is central also for me in the analysis/discussion of this thesis. It is thus useful to review the term narrative, and briefly describe what narrative analysis is about. Labov and Waletzky (1966, p. 66) define a narrative as “one method of recapitulating past experience by matching a verbal sequence of clauses to the sequence of events that actually occurred.” This serves as a very general definition encompassing all types of narratives from fairy tales to the texts of indictments. The narratives that this thesis is concerned with are the policy and development related narratives. Roe (1994) describes a narrative as a constructed chronological story, with a beginning, middle and an end. In policy, Roe emphasizes that there are dominant narratives, with hegemonic positions, which are often held by policy makers and other powerful actors, and which inform their decision-making. Roe has argued that proving a

* A scientific field that looks at the interplay between humans and local ecosystems, but that lacks the political economy focus of political ecology.

dominant narrative to be scientifically wrong is not necessarily enough, and that the most effective way to counter dominant narratives is by telling coherent and strong counter-narratives.

A common practice in narrative analysis is to identify “heroes, victims and villains” (Adger, Benjaminsen, Brown, & Svarstad, 2001). An example of a dominant narrative could be that of desertification (Swift, 1996). While political elites in Mali and the UN claim there is a desertification going on in the Sahel, on the southern fringes of Sahara, scientists talk about the greening of Sahel (Hickler et al., 2005; Olsson, Eklundh, & Ardö, 2005). The dominant desertification narrators would typically identify ignorant villagers encroaching on the forest, as both villains and victims, while “expats” intervening on behalf of the state to “protect” the forests would be the heroes. In a counter narrative, local people would still be the victims, while authoritarian state elites and international financial institutions that create political structures making it difficult for pastoralists and other people in the Sahel to continue with traditional practices are the villains. NGOs or local and/or indigenous people that raises their voice for a more just outcome for local communities would be the heroes.

The term narrative is also related to the term *discourse*, but the latter has a wider and more overarching character. A discourse can be defined as “a realm of understanding that may be shared by a small or large group of people on the local, national, international, or global level” (Svarstad, 2004: 243). In this thesis, narrative analysis is particularly interesting in terms of comparing Green Resources’ win-win narrative with the narratives of villagers living next to the Sanga plantation, and in linking these narratives to the more overarching international perspectives presented in the next chapter. The narratives of the local people has been collected through semi-structured interviews, while GR’s narrative is a combination of data gathered from my interviews, and data gathered from company reports, the GR website and other written material from the company.

2.2.1 The win-win narrative

Green Resources and many other big land investors front this narrative, and the governments of the host countries, who are often very eager to get foreign

investment in different sectors of the economy, including land, often echo this narrative. GR's win-win narrative can be summarized in this way: Africa, and particularly Mozambique, has large areas of available land, and GR leases some of this land to develop sustainable carbon offset plantations. The company "only plants on grassland or degraded forestland" (GR, 2012a), and the benefit of this type of forestry is immense. For the host country, it develops infrastructure and provides money for the Treasury. For the local communities, it creates an income for a large number of families, and thus boosts local economy and development. The "company believes that forestation is one of the most efficient ways of developing and improving social and economic conditions for people in rural areas" (GR, 2010a: 2). In addition, local people benefit from local development projects initiated by the company, as well as other material and monetary gifts. But the positive impact does not stop here: Land that has been deforested by charcoal burning and shifting agriculture, can now again be reforested, which is a positive contribution to the local environment and biodiversity. Furthermore, these trees can sequester carbon, which is a positive contribution to the global climate. And finally, customers can buy cheap wood products from the company, and shareholders and enjoy "superior returns" because of low costs and rapidly growing trees (GR, 2010a: 3). If GR is able to fulfil its goals, the shareholders will win because of high returns, the host countries will win because of improved infrastructure and tax income, the customers will win because of low prices, the climate will win because of carbon offsets, the environment will win because of biodiversity conservation, and local communities will win because of job creation and economic and social development.

2.2.2 The land grabbing narrative

The land grabbing narrative represents the most common counter-narrative to the win-win narrative, and can be summarized this way:

Large corporations invest in land in developing countries, particularly Africa, with the ultimate corporate goal: maximum profit. These large-scale land investments might benefit the shareholders, but often they do not because the deals are canceled because of massive opposition from local communities (Anseeuw, Willy, Cotula, & Taylor, 2012). If they are not stopped, however, "those most impacted tend to be small-scale farmers, who are vitally important in helping tackle hunger" (Pruett, 2010), either by losing access to fertile land or even by being forcibly evicted.

Furthermore, local communities lose access to grazing land for livestock (eg. Milimo, Kalyalya, Machina, & Hamweene, 2011) and to other resources, like wood, or even water, which have traditionally been acquired in the seized territories. The companies' financial contributions to the host countries are marginal, because of tax exemptions and ridiculously low fees for land lease (Anseeuw et al., 2012). Furthermore, the number of jobs that the companies promise to provide is often exaggerated, and the companies usually provide poor working conditions, including low salaries, short-time contracts and uncertain contracts. Finally, the land grabbers harm the local biodiversity by growing monocrops or monocultural plantations ((Anseeuw et al., 2012)).

3 The rush for African land – overview, research and narratives

In this chapter I present a brief overview of commercial large-scale land acquisitions in developing countries, with a particular focus on Africa. Furthermore, I elaborate the narratives already presented by looking more closely into some common, and conflicting perspectives on this type of land acquisitions. Included in this chapter, is also a brief overview of some key points from the Environmental Impact Assessment that was conducted before the establishment of the Sanga plantation. The EIA section provides useful input to the analysis and discussion in chapter 8. After that, I present some research findings on the social and economic impact of commercial large-scale land acquisitions in Africa, and discuss whether the findings from this research form a coherent body of evidence. The examples are from several African countries, but Mozambique naturally receives some extra focus with three examples from the country. One of the examples is picked from a study on GR's plantations in Tanzania. This chapter will, together with the narratives presented in chapter 2, form an important backdrop for the discussion and analysis of my findings in chapter 8.

3.1 A global phenomenon

Large-scale land acquisitions in developing countries, by critical voices called “land grabbing”, has reached levels never seen since the end of the colonial era. The dramatic increase of large-scale land acquisitions started during the global food price crisis in 2007-2008 (GRAIN, 2008), and the trend continues into this decade with new land acquisition deals being regularly signed and agreed upon (Provost, 2012). As this massive land acquisition is a fairly new phenomenon, there are few extensive studies on its wider socioeconomic impact on local communities living in and close to the areas where the land is bought or leased. Because of this, it has so far unfortunately been difficult to get a complete overview, since many land deals are not transparent, and information often tends to be limited to media reports and blogs (Lorenzo Cotula, Vermeulen, Leonard, & Keely, 2009).

3.1.1 Scale and size

The size of reported land acquisitions between 2000 and 2010 amounted to a staggering 203 million hectares (2,03 million km²) globally (Anseeuw et al., 2012).

This is a geographical area five times the size of Norway, and almost equivalent to the size of Africa's largest country, Algeria. Out of the reported land acquisitions, 1,006 land deals, or approximately 70 million hectares of land transfers have been cross-referenced and confirmed by the International Land Coalition (ILC) in their global overview called the Land Matrix, which is the most serious attempt to get a complete overview of the phenomenon to this date (ILC, 2012b). Africa, and primarily Sub-Saharan Africa, is the prime target of these land deals, accounting for 134 million hectares, or roughly two thirds of all reported large-scale land deals, of which 34 million hectares have been cross-referenced (Anseeuw et al., 2012). The reported land transfers covers an area larger than South Africa, and amounts to 4,4 percent of Africa's total land area. In addition, ILC assumes that many land deals are not reported. At the same time, many deals have been cancelled, meaning that that it is currently difficult to get exact figures on the scale of the phenomenon (Anseeuw et al., 2012).

The International Land Coalition (ILC) describes itself as a “global alliance of civil society and intergovernmental organizations working together to promote secure and equitable access to land for poor women and men through advocacy, dialogue, knowledge sharing and capacity building” (ILC, 2012). The alliance has 116 member organizations, including NGOs, UN agencies and research institutes, and has carried out the “Commercial Pressures on Land” research project, which is the most comprehensive study of land acquisitions in developing countries to this date (Anseeuw et al., 2012).

3.1.2 Drivers

The most significant driver behind commercial land acquisitions worldwide is biofuel production, accounting for 40 percent of all land where the commodity produced is known. For Africa, the number is 66 percent, meaning that biofuel production is by far the most important driver behind land acquisitions on the continent (Anseeuw et al., 2012). Worldwide, food crops are produced on 25 percent of the acquired land. Both commercial investors and countries like China, India and Saudi-Arabia invest in farmland. China is about to reach its limit on food production at home, and Saudi-Arabia lacks ground water to expand food crop production within its own territory. Livestock production accounts for 3 percent, and other crops account for 5 percent.

In total, farm production accounts for 73 percent of the land acquired globally. The remaining 23 percent of the land is acquired for forestry and carbon sequestration, mineral extraction, industry and tourism ((Anseeuw et al., 2012).). The exact number for each of the remaining drivers, including forestry and carbon sequestration, is currently not available, but Green Resources has agreed on leasing almost half a million hectares of land in the four countries where the company operates in Africa (Bjergene, 2012).

3.2 Perspectives on commercial land acquisitions in Africa

There are several perspectives on how large-scale land acquisitions in Africa, or more specifically sub-Saharan Africa, affect local communities, and whether such acquisitions have the potential to have positive socio-economic impact or are doomed to fail.

A dominant perspective presented by the World Bank, among others, is that such land deals carry serious risks, but still have a potential for positive impact. A more critical perspective, promoted by the United Nation's Special Rapporteur on the Right to Food, is that large-scale land acquisitions by international investors in developing countries is highly problematic. A third, and more radical Marxist-inspired perspective label these kinds of investments as "accumulation by dispossession", while a fourth perspective, on the completely opposite side, is pronounced by many investors, including Green Resources, which look at their own investments from a pure win-win perspective.

3.2.1 The World Bank view

The World Bank seems to believe that commercial land acquisitions in developing countries might be a good thing in the future for all parts if a certain set of ethical guidelines are followed. In the report "Rising Global Interest in Farmland", the Bank admits that in several cases in Africa, the international investments have led to a socioeconomic deterioration in the local communities affected (Deininger et al., 2011). Notably, the Bank blames poor public institutions in the host countries for making it too tempting for investors to "navigate the system" – without thinking too much about social responsibility. The Bank does, however, believe that such land deals can be beneficial in terms of provision of public goods and social services, job

generation and indirect employment, access to technology and markets for smallholder producers and payment of taxes to local and/or central governments (Deininger et al., 2011). Despite this somehow cautiously positive view, co-author of the report and World Bank economist Klaus Deininger goes more in the sceptical direction in an article printed in the *Journal of Peasant Studies*. In the article Deininger clearly emphasizes that the risks of large-scale land deals are immense (Deininger, 2011).

The Washington-based International Food Policy Research Institute (IFPRI) ends up on a conclusion along the lines of the World Bank: Land acquisitions can be advantageous if a certain code of conduct is followed, including transparency in land negotiations, respect for existing land rights and proper compensation (Von Braun & Meinzen-Dick, 2009). They do, however not mention any examples of this code of conduct actually being followed.

3.2.2 A human rights perspective

Although they are both working under the UN umbrella, the World Bank and the United Nations Special Rapporteur on the Right to Food, Olivier De Schutter, disagrees fundamentally on how they see the potential of land acquisitions in developing countries. De Schutter takes on a far more critical view on the whole concept in an article published in the *Journal of Peasant Studies*. In the article he examines the poverty reduction potential of such investments, and concludes that the potential is far greater if access to land and water is improved for local peasant communities. In other words, he believes it is better to look for other alternatives than commercial large-scale land acquisitions if the goal is to improve the lives of poor. De Schutter goes as far as saying “What we need now is a vision that goes beyond disciplining land deals and providing policymakers with a checklist of how to destroy the global peasantry responsibly” (De Schutter, 2011: 275).

Discouraged by the evidence gathered on large-scale land acquisitions, or land grabbing, Olivier De Schutter thus seems to be completely opposed to this type of land deals. De Schutter did in 2009, however, formulate eleven principles based on a human rights based approach to large-scale land acquisitions in order to avoid land grabbing. They include:

1. That the negotiations on land deals should be transparent and include local communities.
2. That such land transfers can only take place with free, prior and informed consent from the local communities.
3. That states should adopt rights for the local communities into the national legislation.
4. That the land deals should be highly beneficial and create revenues for the local communities.
5. That host states and investors should ensure that land deals create employment for the local population.
6. That the mode of production on the acquired land is environmentally sustainable.
7. That the investors have clear obligations and are held responsible and accountable through pre-negotiated contracts.
8. That there should be agreements to ensure that the acquisitions do not increase local food insecurity.
9. That a thorough impact assessment on several key areas, including environmental and socio-economic impact, is conducted s prior to the completion of any negotiations.
10. That international law regarding indigenous people's right to land is respected.
11. That the investors and the host countries comply with international labour rights. (De Schutter, 2009)²

In my view, these principles form a good framework in which the success or lack of success following such land transfers can be analyzed and judged.

Moreover, the ILC has during its work with the Commercial Pressures on Land research project formulated what I consider to be a useful definition of land grabbing. They define land grabbing as being acquisitions or concessions that have one or more of the following features:

1. Are in violation of human rights, in particular the equal rights of women.

² Arguably, these principles are more aligned with the World Banks and FAO's view, and could thus also have been outlined in the section 3.2.1.

2. Are not based on Free, Prior and Informed Consent of the affected land users.
3. Are not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered.
4. Are not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing.
5. Are not based on effective democratic planning, independent oversight and meaningful participation. (Anseeuw et al., 2012)

The World Bank, the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and the United Nations Conference on Trade and Development (UNCTAD) have together also agreed on a set of rules similar to the abovementioned principles (World Bank, 2010). The International Finance Corporation (IFC), which a member of the World Bank Group has, however, lent money to a number of land investors and has been accused of facilitating land grabs in Africa (Vidal & Provost, 2012). GR has also received a considerable loan from IFC³.

Both De Schutters principles and the ILC's definition of land grabbing show that any investor needs to be extremely cautious to avoid violations of human rights, and end up in the land grabber category. Complying with all these principles can be extremely difficult, and this probably is why De Schutter now seems to have abandoned the whole notion of responsible land acquisitions (De Schutter 2011). Despite this, both De Schutters principles and ILC's land-grab definition does in my opinion provide a useful framework for evaluating Green Resources' land acquisitions in Sanga, The principles provide a "set of rules" that this type of land acquisitions can be assessed according to.

3.2.3 Primitive accumulation

Political ecology is "a field that seeks to unravel the political forces at work in environmental access, management and transformation" (Robbins, 2012: 3). As such, political ecology can provide perspectives on commercial land acquisitions in developing countries. Within this academic community, many scholars are highly

³ Interview with CEO and founder of Green Resources, Mads Aspren 24.02.12

sceptical towards large-scale land acquisitions and its impact on local livelihood and property relations. Critical geographer David Harvey has developed Karl Marx' concept of primitive accumulation⁴ into "accumulation by dispossession", which he explains as a process of centralizing wealth and power in the hands of a political and economical elite by dispossessing people from access to resources. According to Harvey this process accelerated with neoliberal policies that has been implemented from the 1970s and onwards (Harvey, 2003). "Appropriation" is central to the process of accumulation by dispossession, and basically means a transfer of user rights, ownership and control over resources that have been publicly owned, or sometimes without any formal owner, from the poor and into the hand of more powerful actors (Fairhead, Leach, & Scoones, 2012). Harvey describes it as "the enclosure of public assets by private interests for profit, resulting in greater social inequity"(Harvey, 2003). Land deals in Africa in areas where the land traditionally has been settled and/or used by local communities without formal ownership, can thus be seen as accumulation by dispossession from this perspective (S. Borras, McMichael, & Scoones, 2010).

Additionally, a relatively new term, "green grabbing", has been introduced by scholars. The term is used to describe appropriation of land and resources for environmental goals. The key focus in the green grabbing perspective is land acquisition based on environmental agendas, like conservation, while commercial projects with a green image, like carbon offset plantations, are considered to be in the periphery between green grabbing and regular land grabbing (Fairhead et al., 2012). Primitive accumulation or 'appropriation' is in my view a useful perspective to keep in mind when analyzing the impact of a land acquisition like Green Resources' in Sanga.

3.3 Previous research findings

"Land Rights and the Rush for Land" is a report about commercial land acquisitions in developing countries published in 2012. The report is based on the Commercial

⁴ This is a term that Marx used to describe the transition of common property into private property that started in England in the 16th century, the so-called Enclosure of the Commons. The enclosure of the commons was enacted by the English Parliament, and the most active period of enclosures was the 18th and 19th century.

Pressures on Land research project coordinated by the ILC, which is so far the most thorough research project carried out on the impact of commercial large-scale land acquisitions worldwide (Anseeuw et al., 2012). The research project consists of 31 studies so far, including nine thematic studies, and 22 case studies, of which nine of the case studies are from Africa. In addition, ILC has created a so-called “Land Matrix” in order to monitor commercial large-scale land acquisitions on a global scale (ILC, 2012). Land Rights and the Rush for Land is a follow up on Food and Agriculture Organization (FAO), International Institute for Environment and Development (IIED) and the International Fund for Agricultural Development (IFAD) report from 2009 questioning whether commercial land acquisitions should be seen as a land grab or a development opportunity (Ibid. 2009). While the report from 2009 remains cautious on the issue of local social and economic impact, and does not draw any clear-cut conclusions on how it generally affects people inhabiting the rural areas where land is acquired, the report from 2012 draws harsh conclusions, stating that “there is little in the findings of this report to suggest that the term “land grabbing” is not widely deserved” (Anseeuw et al., 2012).

3.3.1 Key findings

Based on broad empirical evidence from the Commercial Pressures on Land Research project, the authors of “Land Rights and the Rush for Land” draw harsh conclusions about the impacts of large-scale land acquisitions: Compensation for resource loss is rarely adequate, and a key problem in this regard is the lack of legal recognition of customary ownership of resources in many developing countries. Some cases reveal evictions of farmers, while a more general problem is a reduced access to natural resources for local communities as a result of the outside investments in land. There are also some cases where local farmers access to water is negatively affected. Furthermore, the investors have a tendency to exaggerate the number of jobs created by the investments, and the jobs are often low-paid, insecure, short-term and in many cases only existing as part of an initial construction phase. The report further points out that tax exemptions and very low lease fees ensure that the public benefits minimally from the investments (Anseeuw et al., 2012). Li (2011: 283) highlights why: “States competing against each other must be prepared to offer land at a competitive price, which often means free of charge, a move they justify with the reference to other purported development benefits, especially jobs”.

In addition, ILC's report point out problems linked to ecosystem conversion and loss of biodiversity. Weak democratic governance, a lack of legal rights for the poor, a failure to create contracts and agreements ensuring that local communities benefit economically, and a total bias toward large-scale commercial mono-cropping, instead of smallholder agriculture are listed as key reasons for the negative impacts.

Smallholder farmers have been displaced in several African countries due to similar land deals (Daniel & Mittal, 2009). Examples of violation of De Schutter's principles are many, and in line with this the examples of what would be classified as land grabbing under the ILC definition are countless. Poorly designed contracts, and a lack of transparency seem to be the norm for many of the land deals (Lorenzo Cotula et al., 2009). Senior researcher Lorenzo Cotula from the International Institute for Environment and Development (IIED) also points to the fact that even if the economic conditions of local communities are improved as a result of the investments following the land deals, it does still not necessarily mean that the development is sustainable (L. Cotula, 2010). Cotula furthermore believes business models involving cooperation with and support of local farmers are more sustainable alternatives than large-scale land acquisitions (Lorenzo Cotula, 2011). Another issue arising from research on large-scale land acquisitions is the lack of openness and involvement of local communities in designing the contracts defining the terms of the investments. Few contracts are publicly available for scrutiny and local communities and landholders are rarely involved in the contractual negotiations (Lorenzo Cotula, 2011b).

Looking at the evidence produced in research on large-scale land acquisitions, there are two alternative conclusions that can be drawn. If we follow argumentation of the World Bank, there is a need for serious change among both investors and host countries agreeing to international land deals, but if a set of principles is agreed upon and followed, the deals will foster economic growth, employment and generally improved welfare for local communities. The other more drastic conclusion, is the one that we can draw based on the view of De Schutter, namely that a truly "responsible land grab" is just not possible.

3.3.2 A selection of cases

A number of studies have been carried out on the social and economic impact of large-scale land acquisitions in Africa, and it would require a far more extensive work than this thesis to mention all of them. I have, however, chosen some examples to illustrate different aspects of how large-scale land acquisitions can unfold and affect people. The examples illustrate different aspects of what I have found to be the general trend in the empirical evidence from research on the social and economic impact of commercial land acquisitions in Africa.

The arguably most prominent example of failure in the business of commercial land acquisitions is taken from Madagascar. In 2008, Daewoo Logistics Corporation announced that they had made an agreement with the government of Madagascar to lease 1,3 million hectares of land, or roughly half of the arable land in the country (Ratsialonana, Ramarjohn, Burnod, & Teyssier, 2011). The South Korean industrial giant's plan was to grow corn crops on the land, and the corn was intended for the South Korean market (BBC, 2009). Due to massive popular resistance against the deal, which would have displaced thousands of people, the agreement was cancelled. Daewoo's attempt to secretly get hold of these huge tracts of land is considered to be a key factor behind the uprising leading to the coup d'etat in Antananarivo on March 17, 2009 (Ratsialonana et al., 2011).

Chickweti, one of the international investors in the forestry sector in Niassa, has experienced tough resistance from local communities in the Mozambican province. During my fieldwork interviews in Niassa, the company was repeatedly mentioned as the worst land investor in the province. Villagers, officials in the village and district administration and representatives from Niassa Green Resources all seemed to agree on this. The Global Solidarity Forest Fund (GSFF) is the major shareholder in the company. The Swedish Diocese of Västerås, under the Lutheran Church of Sweden established GSFF in 2006, together with Opplysningsvesenets fond (Ovf), which is a Norwegian church endowment investing in real estate and financial capital. Ovf holds a minority of shares in Chikweti (GSFF, 2012; Ovf, 2012). The company has been accused of grabbing land without consulting local communities and farmer organizations properly, some of which was already in use (Bjergene, 2012b; Løkeland-Stai, 2010).

Former Master of Science student in International Development Studies at the Norwegian University of Life Sciences (UMB), Tonje Refseth, studied the local impact at two of Green Resources' plantations in Tanzania. Refseth found that GR in this case violated all of De Schutter's eleven principles in one way or another. Refseth does, however, also point to the fact that the company has created a considerable number of jobs in an area where job opportunities otherwise are close to non-existent. Thus the plantations have boosted local food production and the local economy, according to the thesis. On the other side, there were problems like unresolved issues with compensation, low salaries and short-term contracts (Refseth, 2010). The plantations in Tanzania are, however, unlike the plantation in Sanga, CDM certified and the sum of money invested in these plantations, as well as the number of jobs created are far higher than in Sanga, making the two cases somehow different in terms of costs and benefits, and not necessarily comparable, as I will come back to in the discussion.

In 2007, the government of Mozambique agreed to set aside 30,000 hectares of land to the Central African Mining and Exploration Company (CAMEC) for a sugarcane ethanol project called ProCana, in Massingir district, Gaza province in the southwest of Mozambique. CAMEC obtained a licence to tap vast water reserves from the nearby Massingir dam, and started clearing land for the project (FIAN, 2010; Kay & Franco, 2012). The company's plan was to operate on a full scale by 2011, and they promised to employ up to 7000 local people during its full operation. An ethanol plant was supposed to be completed in late 2010 and ethanol production was supposed to start in 2012. The project is now currently paused, after CAMEC pulled out, and the government of Mozambique is looking for new investors (S. M. Borrás, Fig, & Suarez, 2011). Estimates show that the proposed project would heavily affect the water access of subsistence farmers further downstream in the river Rio dos Elefantes, as ProCana would need 407 million m³ of water per year to irrigate the sugarcane plantation (Van der Zaag, Juizo, Vilanculos, Alex Bolding, & Post Uiterweer, 2010). In addition, hundreds of families will need to be resettled from their current homes and farm plots if the project is to be realized in full scale (FIAN, 2010).

In the Choma District in the Southern Province in Zambia, a local church, the Macha Mission, serves an example of how a commercial development of land fully within

national law and regulations can affect local villagers (Milimo et al., 2011). In 2005, the Macha Mission decided to use the land it had been granted by the British colonial authority in 1906 commercially. During the years since 1906, people have settled on the unused mission land and by 2009, 222 families were living on the 3,003 hectares that the British colonists gave away to the Mission, without opposition from the church. In 2005, the church decided to lease 200 hectares of land to a Dutch privately owned organization called PrivaServe Foundation, who operates under the name Macha Works in the area. Because of this commercialization all the 222 families were told to move out by late 2009, and although affected families tried to fight the eviction, the Zambian Supreme Court ruled in favour of the church. PrivaServe has now planted a large jatropha (biofuel) field on the land, and has also built an airstrip, a restaurant, an Internet café, a guesthouse and a private school. 113 jobs are provided by these facilities, but on the other side a far larger number have lost their homes, their farm plots and the land where their animals used to graze (Milimo et al., 2011).

4. Green Resources

Green Resources has planted more than 22,000 hectares (220 km²) of forest in Africa so far (Bjergene, 2012). According to its own company objectives, the “goal is to be Africa’s best and the world’s lowest-cost forest and carbon credit company. It aims to generate superior return for its shareholders, provide great challenges and an excellent working environment for its employees, protect the environment and help develop local communities where it operates” (GR, 2012b). While the company’s main business is logging⁵ and processing of wood, much of the external focus has been directed at the carbon credit part of the companies business.

4.1 History, investors and business profile

Green Resources AS was established by Mads Asprem in 1995, at that time with the name Fjordgløtt, before changing to its current name in 1996. Mads Asprem is a former deputy member of the Norwegian parliament for the Conservative party (Høyre). Asprem personally owns 22 percent of the company, and is currently Green Resources’ CEO. GR established its first plantation on African soil in 1996, namely the Bukaleba plantation in Uganda. The same year, the company got access to land in Iringa and Morogoro regions in Tanzania. Since then the company’s business has expanded sharply. The net worth of the Green Resources was estimated to 1.9 billion NOK (314 million USD)⁶ in 2010, and GR is thus the largest Norwegian company in the forestry sector (Molberg, 2012). According to its own website, GR currently employs 5,300 people (GR, 2012a). Nonetheless, the most recent number according to Asprem, is about 4,000 employees⁷.

4.1.1 Shareholders

GR has more than 80 shareholders, of which the largest four own almost two thirds of the company. They are Phaunos Timber Fund (29.2%), New Africa Ltd (20.7%), Steinerud AS (7.4%) and Storebrand ASA (6.9%) (GR, 2012b). The largest

⁵ Interview with Mads Asprem 24.02.12

⁶ XE – Universal Currency Converter was used on all currency conversions in this thesis on 29 June 2012.

⁷ Interview with Mads Asprem 24.02.12

shareholder, Phaunos Timber Fund Limited, is an investment company registered in the tax haven Guernsey. According to its own website, Phaunos “aims to provide its shareholders with attractive long term total returns through a diversified global portfolio of timberland and timber-related investments” (Phaunos, 2012).

4.1.2 Business plans and current operations

All in all, GR has agreed to lease 4176 km² (417.600 hectares) of land in Africa, which is an area of almost exactly the same size as the Norwegian county Østfold. GR has so far invested more than 600 million kroner (99 million USD) in forest plantations in Africa, and 40 million trees have been planted on the continent (Bjergene, 2012). GR operates in four countries in Africa, namely Mozambique, Tanzania, Uganda and South Sudan. Within these countries, GR has ten plantations, including two, Sanga and Lurio, in Mozambique (GR, 2009). According to their own website, “the company will convert low-yielding grassland and degraded forest to grow the highest-yielding crops suitable for the land areas under the company’s management” (GR, 2012c).

In addition to developing a carbon offset business based on the Clean Development Mechanism (CDM), GR produces electricity poles, pallets, doors, joinery components, panel boards, wood pellets, sawn timber and bioenergy. The bioenergy is mainly charcoal for industrial use. Green Resources does also buy timber from other producers for processing at the Sao Hill sawmill they operate in Tanzania (GR, 2009).

Green Resources was the first non-US company to be certified under the Verified Carbon Standard (VCS) scheme (formerly called Voluntary Carbon Standard) on 17 July 2009. The certification was received for Mapanda and Uchindle plantations in the Southern highlands of Tanzania (GR 2009). In July 2011, GR received its first certification under the Clean Development Mechanism (CDM) regime for the Kachung plantation in Northern Uganda (GR, 2012a). CDM is a carbon offset certification mechanism based on the Kyoto Protocol (UNFCCC, 2012).

The CDM certification is carried out by the CDM Executive Board, which serves under the umbrella of the United Nations Framework Convention on Climate Change

(UNFCCC) (UNFCCC, 2012b). A CDM certification thus shows that a carbon sequestration has been approved by the UN, which gives companies like GR the opportunity to sell carbon credits to companies and states (including the Norwegian government) that require CDM certification before considering to buy carbon credits.

According to GRs own predictions, the company's projects have the potential to offset 2,300,000 tons of carbon by the end of 2012, and more than 20 million tons by 2020 (GR, 2009). GR has received loans from several international donors including EU, the International Finance Corporation (IFC) and the Norwegian Investment Fund for Developing Countries (Norfund). It was granted 34.7 million NOK (5.7 million USD) in loan from Norfund, as well as receiving 5,2 million NOK (0,9 million USD) from Norad's (The Norwegian Agency for Development Cooperation) aid budget (Bjergene, 2012).

4.1.3 Mission, vision and values

Green Resources describes its mission, vision and values in the following way (GR, 2009: 29):

Company Mission

The mission of Green Resources is to establish Africa' leading afforestation, carbon offset and wood products company for the benefit of its stakeholders.

Company vision

Our vision is to establish large, sustainably managed forest and agro-forestry plantations that will create the basis for the long-term growth of the company and store large amounts of CO₂. We will use wood from existing and new plantations to produce high-value-added products based on the needs of our customers. Our objective is to become the favoured employer in the local community, attracting the best employees. We will follow the highest corporate standards, Forest Stewardship Council (FSC) sustainable forest certification, and aim to become an attractive alternative for investors otherwise reluctant to invest in emerging markets and a favoured partner for development organizations.

Company values

Our values are to:

* establish and maintain fast growing and high-quality forests as effectively as possible

- * provide first-class products and services to our customers
- * adhere to high environmental and social standards
- * appreciate employee performance
- * contribute to rural development for local people
- * generate good returns on investment

4.2 Green Resources in Mozambique

On 20 March 2009 GR signed an agreement with the government of Mozambique authorizing them to lease 1,260 km² (126,000 hectares) of land in Nampula province in the Northeast of the country. The company plans to invest almost 13 billion NOK (2.15 billion USD) in plantation business in Mozambique in the coming years, and do also plan to build Africa's most modern sawmill in Nampula province (Piene, 2012). The ambitions for the Lurio project are enormous; GR aims to employ 12,000 people in Nampula and to contribute with five percent of Mozambique's gross national income (Bjergene 2012). The Lurio project in Nampula province is thus the prime target of the company's expansion plans in Mozambique, while the plans for the Sanga plantation in Niassa province are far more modest. By the end of 2011, GR had planted 2,100 hectares of forest in Mozambique, of which 1,500 hectares was planted in Niassa and 600 hectares was planted in Nampula⁸.

4.2.1 Niassa Green Resources

Niassa Green Resources (NGR) is a subsidiary of Green Resources AS, and is in charge of the plantation and operations in Sanga district in Niassa province in the Northeastern corner of Mozambique. NGR is a partnership between Green Resources AS, which owns 80 percent of the company (79 percent is owned by Green Resources AS and 1 percent by Green Resources Mozambique SA) and Malonda Foundation, who owns 20 percent. NGR was registered on 9. July 2007 (GR, 2012a), and is one out of 21 subsidiaries of Green Resources (Bjergene 2012). NGR employs 215 workers, of which 86 are permanently employed while the rest are seasonal workers⁹.

⁸ Interview with Plantation Manager in Niassa Green Resources Gracindo Sayal 09.11.11.

⁹ Interview with NGR Plantation Manager Gracindo Sayal and interview with NGR General Manager Innocencio Sotomane, both on 09.11.11

4.2.2 Malonda Foundation

Malonda Foundation (MF), which owns 20 percent of NGR, is a private foundation created in 2006. MF was founded to take care of the Malonda Programme; a programme with a stated goal of strengthening the private sector and creating more employment in Niassa. The Swedish International Development Cooperation Agency (SIDA) initiated the program in cooperation with the government of Mozambique (SIDA, 2009). SIDA have invested millions of dollars in this private sector development initiative in Niassa (SIDA, 2012), and is as a result of these investments also involved with NGR operations in Sanga. MF is also in the initiator of what is called the Niassa Reforestation Project, which is supposed to cover 174,000 hectares of land. So far leasing rights are received for more than half of this land. 60 percent of the area is designated to plantation forestry, while 40 percent designated for conservation to serve the purpose as wildlife corridors. MF is responsible for the project, which will be carried out both by MF itself, as well as by private companies like GR (MF, 2007a).

4.3 The Sanga plantation

Land acquired by Green Resources in Sanga covers 8,267 hectares, of which 3,500 hectares is designated for tree planting. The remaining 4,767 hectares will supposedly be used for conservation and agricultural purposes (GR, 2011). In late 2011, approximately 1,500 hectares had been planted, with around 200 hectares planted in 2011 and 500 hectares planted in 2010¹⁰. Green Resources claims to plant on degraded land in Sanga, but do not offer a clear definition of degradation. (GR, 2010b). GR's use of the term degradation will be discussed further in the analytical part of this thesis. The land use right NGR has acquired in Sanga is granted for the establishment of plantation and economic exploitation of this plantation, and does not give the company rights to the exploit existing resources in the native forest area, or the right to minerals or other resources existing in the area before the establishment

¹⁰ Interview with NGR Plantation Manager Gracindo Sayal 09.11.11

of the plantation. The Mozambican Ministry of Agriculture legally controls these resources (GR, 2011)¹¹.

4.3.1 Climate and geography

The average altitude of the Sanga plantation is 1,100m, and the soil conditions are fairly dry. The mean annual rainfall in the area is 1,200mm with a rainy season lasting from December to February and the mean annual temperature is 26C (GR, 2011). The Malulu unit is the largest unit in the Sanga plantation and is located about 75 kilometers from Niassa's capital Lichinga. The unit is situated in between the rivers Chindindime and Luchimua, and is almost surrounding Malulu village. According to Green Resources, as well as information obtained from villagers during my fieldwork, there are no persons living permanently in the area where GR has obtained land use rights, but some seasonal settlements around the *machambas*¹² are still located within the designated plantation area. More than 1,000 hectares of the Malulu unit is miombo woodland¹³, which is set aside for conservation by Green Resources (GR 2011).

4.3.2 FSC certification

The Malulu unit of the Sanga plantation received certification from the Forest Stewardship Council (FSC) on 3 October 2011. The FSC is a non-profit organization that promotes responsible forest management, according to the organizations own website (FSC, 2012). The Malulu unit is the biggest unit in the Sanga plantation, which is spread out over several units in the district, and the unit is located about 75 kilometers from Niassa's capital Liching. It almost surrounds Malulu village. The unit covers 5,838 hectares, and is situated in between the rivers Chindindime and Luchimua. Natural forest covers 1,067 hectares of Malulu unit (GR, 2011).

4.3.3 Malonda Foundation's Environmental Impact Assessment

Before establishment of the Sanga plantation in Niassa in 2007, Malonda Foundation (MF) carried out an Environmental Impact Assessment (EIA) for what they call the

¹¹ See chapter 5, section 2.1

¹² Machamba is the local name on farm plots cultivated by local subsistence farmers.

¹³ Miombo woodland is a tropical and subtropical type of vegetation that is dominated by trees of the subfamily Caesalpinioideae, particularly Miombo (*Brachystegia*),

Niassa Province Reforestation Project (MF, 2007b). The Sanga plantation constitutes a part of this project, which covers larger areas in Niassa province leased by Malonda Foundation, or companies operating together with Malonda Foundation, like Green Resources¹⁴. Niassa Green Resources relies on this assessment for their operations in Niassa, and are supposed to base their operations on the recommendations of this report. The EIA was done before NGR started their operations in Sanga, and did also include an assessment of potential socio-economic impacts of the Niassa Province Reforestation Project, in addition to the potential environmental impact.

The EIA identified several potential socio-economic impacts and classified the potential impacts in terms of positive/negative, probability, extent, duration, intensity and significance. “Probability” here “measures” the likeliness of the change to happen, “extent” measures the size of the geographical area that is likely to be affected, “duration” should measure the time span of the potential impact (eg. long term, short term), “intensity” should measure how big the impact is in the area in question and “significance” should measure how important the impact is, according to the EIA (MF, 2007b).

The study identifies the following potential positive impacts (MF, 2007b: 133-143):

- Creation of community funds
- Population increase
- Improvement in the living conditions of the inhabitants
- Development of infrastructure
- Increase in social infrastructure
- Economic growth for the district/province/country
- Improvements in access to employment

The study also identifies the following potential negative impacts:

- Difficulty in access to natural resources
- Greater difficulty in holding traditional ceremonies
- Increase in diseases, particularly HIV/AIDS

¹⁴ MF owns 20 percent of NGR, and is a private foundation created in 2006.

- Restrictions in access to traditional medicine
- Creation of high job expectations
- Restricted access to fields and agricultural activities and loss of agricultural land
- Increase in social conflicts
- Reduction of water in the wells for the local population.

Furthermore, the consultants behind the EIA look at how to ensure that the impact is positive. On the potential negative impact, they look at how to mitigate these effects. About loss of agricultural land, they write: “Wherever possible the plantation blocks should not include agricultural areas. In cases where this is inevitable, the following mitigation measures should be implemented: There should be agreement with the owners of the field, which may imply compensation in the form of allocating new land. The land allocated should have the same or better characteristics as the lost land, in terms of soil fertility, fruit trees, access to water, proximity to housing, to main roads and to markets” (MF, 2007b: 141).

The MF should, according to the authors, maintain liaison with the affected communities, concerning the project and consequent impacts. A detailed compensation plan should be drawn up and implemented, in close coordination with the appropriate state authorities, to ensure the following:

- That new agricultural land is available, and that its area should correspond to the needs of members of the household.
- The proponent should assist in opening new fields, with tractors for clearing land, seeds and tools like hoes, machetes etc.
- That household income from the sale of produce and work is maintained or, if possible, increased.
- That the location of the new field should be near the homes of the peasants.
- Access to roads and transport.
- The possibility of using crops under cultivation up to the harvest.
- Access to water.

According to the assessment, it is fundamental that negotiation with the population also takes into account the period of cultivation (harvest season) in order to allow the population to use the crops already in the ground. In the event of the loss of fruit

trees, which are not compensated for in the new field allocated, there should be negotiations and potentially some financial compensation for their loss (MF, 2007b).

This sums up the socio-economic pre-assessment conducted before the establishment of the plantation in Sanga, and does together with De Schutters principles and the ILC land grab definition provide a platform for the discussion about NGR's operations and the plantation and its local social and economic impact.

5. Socio-economic and geographical context

Mozambique is situated in the southeast of Africa. The country is bordering Tanzania in the north, Malawi and Zambia in the northwest, Zimbabwe in the west, and South Africa and Swaziland in the Southwest. The country covers 801,590 km², and has 2,470 kilometers of Indian Ocean coastline to the east (CIA, 2012). Most of this coastline is located by the Mozambique Channel, which is the part of the Indian Ocean between Mozambique and Madagascar. Mozambique has an estimated population about 22.5 million (INE 2012), and the country's capital and largest city is Maputo, which is located in the far south of the country close to the border with South Africa.

5.1 Mozambique: Political and economic performance

The Republic of Mozambique became independent from Portugal in 1975, but only two years later a civil war broke out between the independence movement Frelimo and Renamo, a guerilla movement sponsored by the apartheid regimes in South Africa and Rhodesia (Zimbabwe). This civil war lasted 16 years until both sides signed a peace agreement in 1992 (BBC, 2011). Mozambique held its first multiparty elections in 1994. Frelimo won the elections, and have been in power continuously since, while Renamo has remained the biggest opposition party. In 2004, current president Armando Guebuza won the presidential elections, and he was reelected with 75 percent of the votes in 2009 (Penvenne & Sheldon, 2012).

5.1.1 Democratic constraints

The democratic foundation of Mozambique, as well as the right to freedom of expression and freedom of the press is clearly expressed in the Mozambican constitution (Constitution, 2004). The country is ranked as number 66 out 179 countries on Reporters Without Borders' press freedom index (RWB, 2012). The press in Mozambique is considered to be partly free by Freedom House, a US-based NGO that advocates freedom, democracy and human rights. Some incidents of harassment of journalists, heavy government ownership in the media sector are the main reasons for this (UNHCR, 2012). Corruption is another issue distorting

democratic processes in Mozambique. In Transparency International's Corruption Perceptions Index for 2011, Mozambique is ranked as number 120 out of 182 countries. Joseph Hanlon writes in *Third World Quarterly* that: "There are two very different images of Mozambique. One is of rapid GDP growth and growing exports and of transparent and clear management of donor money. The other is of worsening poverty in rural areas and of state capture, with a predatory elite that robs banks and non-donor resources, smuggles and kills, and maintains a corrupt justice system" (Hanlon, 2004: 760). USAID states that "the scale and scope of corruption in Mozambique are cause for alarm" in their assessment of corruption in Mozambique, and goes on to mention widespread corruption in several public sectors, including government and the judicial system, as well as alleged links between corrupt government officials and organized crime (USAID, 2006: 1).

5.1.2 Economic performance

When it comes to macroeconomics, Mozambique has persistently had one of the highest Gross Domestic Product (GDP) growth rates in the world for more than a decade, and in 2010 the growth rate was 6.8 percent (INE, 2012). Even though this is a high growth percentage wise, the baseline for this growth is very low. Mozambique continues to be among the poorest countries in the world in terms of GDP per capita. On UNDP's Human Development Index (HDI) for 2011, which measure living standard in terms of life expectancy, education and literacy, and income, Mozambique is ranked fourth last, with only Burundi, Niger and the Democratic Republic of the Congo behind. Furthermore, there are signs that the increased wealth only reaches a minority of the country's citizens. Hanlon (2007) points out the paradox that while poverty in Mozambique has fallen, chronic child malnutrition has increased in Mozambique, indicating that the wealth shown on official statistics do not necessarily match the reality on the ground.

5.2 Land Rights and Land Investments in Mozambique

According to the constitution of Mozambique: "Natural resources in the soil and the subsoil, in inland waters, in the territorial sea, on the continental shelf and in the exclusive economic zone shall be the property of the State" (Constitution, 2004).

5.2.1 The Right to Use and Exploit Land

The 1997 Land Law provides a solid foundation for the protection of customary land rights. According to the law, traditional land users have the same rights to use and benefit of land as formal title holders. At the same time the law provides a framework for land investments by external investors (Kaarhus & Martins, 2012). There is only one way to legally acquire land in Mozambique for external investors, namely to obtain a *DUAT*, which is a Portuguese acronym for *Direito de Uso e Aproveitamento de Terra* (the Right to Use and Exploit Land). Anyone who wants to get a *DUAT* needs to get approval from the state, through the National Directorate of Land and Forest under the Ministry of Agriculture. The *DUAT* gives the titleholder the right to lease land for 50 years, with the opportunity of renewal for 50 more years (German, Schoneveld, & Mwangi, 2011).

The Mozambican constitution mentions hydraulic resources, energy resources, roads and railways, mineral resources and nature conservation zones as public domains (Constitution 2004). This does also apply to land where *DUAT* has been acquired by external investors.

5.2.2 Procedures for leasing land

DUATs can be granted in two ways. First, local communities or individuals can obtain *DUAT* if land has been used according to customary norms for a long time (called customary occupation), or if a national individual has used land “in good faith for at least ten years” (called good faith occupation). A local community can be treated as a legal person, meaning that one *DUAT* is issued to the whole community, which will have to allocate and manage the land according to their customary rules (Norfolk & Tanner, 2007). The 1997 Land Law of Mozambique defines a local community as “...a grouping of families and individuals, living in a circumscribed territorial area at the level of a locality or below, which has as its objective the safeguarding of common interests through the protection of areas of habitation, agricultural areas, whether cultivated or in fallow, forests, sites of socio-cultural importance, grazing lands, water sources and areas of expansion” (Frey, 1998: 9). Secondly, *DUATs* can be awarded to private individuals or companies (like GR) that have submitted an application for it to the national Directorate of Land and Forest (Norfolk & Tanner, 2007). All land deals involving 1,000 hectares of land or more, need to be approved by the Minister of Agriculture (Deininger et al., 2011).

5.2.3 The scale of land lease in Mozambique

The government of Mozambique granted investors concessions for more than 2.5 million hectares of land between 2004 and 2009, which is about 7 percent of the country's arable land, and more than most other African countries. Many of these land deals have led to serious conflicts between private investors and local communities, and several of the concessions are about to be cancelled by the government, because investors have not followed up their investment plans (Mousseau & Mittal, 2011). After a government freeze in large-scale land-acquisitions from late 2009, the government opened up the land market for foreign and domestic investors again in October 2011, with new land deals being on the way. While biofuel plantations are the main focus of the investors in southern Mozambique, forestry and carbon offset plantations is the primary focus in the north, and in particular in the Niassa province (Mousseau and Mittal 2011).

5.3 The Niassa province

The Sanga plantation is situated in the Niassa province in the northwestern corner of Mozambique. The area of the province is 129,056 km² - or roughly one third the size of Norway, and is the largest province in Mozambique. The population is almost 1,5 million, which means that the province is the most sparsely populated province in Mozambique (INE, 2012). The Rovuma River separates Niassa from Tanzania in the north, and Niassa shares provincial borders with the coastal provinces Cabo Delgado to the east, Nampula to the southeast and Zambezia to the south. In the southwest Niassa borders Malawi, while the rest of the western part of the province lies along the shores of Lake Niassa, Africa's third largest lake. There are 15 districts in the province, including Sanga district, where the plantation is situated, as well as four municipalities, including the provincial capital Lichinga.

5.3.1 Economy and health

Although poverty remains widespread in Niassa, the province has experienced a massive drop in its official poverty rate. During 1996/97 the poverty rate in Niassa was 70.6 percent. It fell to 54.1 percent in 2002/03 and furthermore to 31.9 percent in

2008/09¹⁵. Niassa went from having the fourth highest poverty rate among the 11 provinces (including Maputo city) in 96/97 to having the lowest poverty rate among all the provinces in 08/09. The national average in Mozambique was 54.7 percent in 2008/09. The prevalence of HIV/AIDS about one third of the national average in Niassa, but the province has a slightly higher prevalence of illiteracy than the national average in Mozambique (IMF, 2011). Unfortunately, the official poverty statistics are, as Hanlon (2007) points out highly problematic. Despite massive macroeconomic growth in the province, the rate of chronic malnutrition for children under five years of age in Niassa is still 45 percent, which is a paradox when the official poverty rate is far lower (SIDA, 2009). Such a divergence between poverty rates and malnutrition rates clearly illustrates the difficulty of assessing the poverty situation in the province, and to consider how the macroeconomic growth in the province change the poverty situation on the ground.

Agriculture is the most important economic activity in the province (Orgut, 2011), and maize, sorghum, beans and cassava are among the most commonly grown crops (FAO 2010). With about 8,000 cattle, 65,000 goats, 7,000 sheep and 7,000 pigs in the province, the livestock numbers are far lower than in any other province in Mozambique (Orgut 2011).

5.3.2 Infrastructure

The infrastructure of Niassa is poor, with most of the roads being gravel and dirt roads, and the remoteness of the province combined with the poor infrastructure, ensures that Niassa is poorly integrated into the national market. There is a railway line linking the Province capital Lichinga to the portal city Nacala on the Mozambican coast, but the last stretch of the line from Cuamba to Lichinga is in a poor condition and not operative. The electricity supply in the province is limited, and includes the main towns of Lichinga, Cuamba, Mandimba, Mentangula as well as other smaller villages nearby these villages. Malulu and Malica next to the Sanga plantation have both got electricity supply. Phone and Internet coverage in the province is limited, and many rural areas in the province lack access to phone lines, Internet and even mobile networks (Niassa Tourism, 2012).

¹⁵ The national poverty line in Mozambique is 18 meticaís or about or about US\$ 0.50 a day

5.4 The Sanga district

The Sanga district, in which the GR plantation is situated, covers 13,469 km² and has more than 60,000 inhabitants, of which about half of the population is below 15 years of age (MAE, 2005). The district capital is Malulu, which is situated next to the Sanga plantation. The southern part of the district, where the plantations are situated, is part of the highlands of the Lichinga plateau, and the district capital Malulu lies at an altitude of about 1,200 meters¹⁶. This part of the district receives an annual rainfall of more than 1,200 mm, and according to the Sanga District Authorities, the soil is characterized by a high fertility and an excellent potential for agricultural production (MAE 2005).

5.4.1 Economic activities

Subsistence agriculture, together with small-scale production of cash crops is the dominant economic activity in the area. There is little livestock in the district. Cattle are not common, but some families own chicken, ducks and/or goats. Firewood and charcoal are the most common energy sources. There are about 13,000 farms in the district, of which the average size is 1.7 hectares, and 46 percent of the farms occupy less than one hectare. The main crops grown in the district are maize, cassava, cowpea, peanut and sweet potato, plus several types of fruit, including mango and bananas. There is no banking system in the district and are no ATMs (MAE 2005).

5.4.2 Culture, health and education

Mainly Yao people inhabit the district, and the main language in the district is also Yao. Islam is the dominant religion, and is practiced by approximately 90 percent of the population in Sanga, but there is also a Christian minority in the district. The Yao people practice *matrilineality*¹⁷, and polygamy is a common practice in the district. 73 percent of the population in the Sanga do not speak the national language Portuguese, and more than three quarters of the population in the district are considered to be illiterate. Among women, the illiteracy rate is almost 90 percent. The rates of school attendance are however slowly increasing. Although not high in a national context, the district struggles with a considerable presence of diseases like

¹⁶ Measured with my own GPS.

¹⁷ In matrilineality, descent is traced through the mother.

HIV/AIDS and other sexually transmittable diseases (STDs), malaria and diarrhea (MAE 2005).

5.5 Malulu village

Malulu is the district capital of Sanga, and the village where most of my fieldwork was conducted. Malulu lies about 75 kilometers North of the provincial capital Lichinga just off the road that leads to the Tanzanian border in the north. The village is almost surrounded by GRs plantation and the rest of the area that the company has leased. According to national statistics the village has about 13,000 inhabitants¹⁸. The district authorities, including the administration, the police and the district attorney are all situated in Malulu. The village does also have a hospital serving its inhabitants as well as other villages in the district. The only people taking part in wage labour in Malulu are a few people working in public institutions like the school, the hospital, the district attorney, the police and the district administration, and apart from this Green Resources is the only employer in the village.

5.5.1 Socio-economic profile

Green Resources is also the biggest employer in the village in terms of number of employees. Subsistence agriculture and small-scale cash crop production are the main economic activities in the village, and maize is the most important crop for the villagers. In addition, the villagers grow beans, sweet potatoes, potatoes, cassava, onion and sugarcane, as well as several types of fruit. I could not obtain the exact numbers, but compared to villages I have visited in other African countries like Tanzania, Kenya and Uganda, the number of livestock in the village seemed very low. The most common livestock was chicken and ducks, and some villagers also had goats. According to the director of economic services in Sanga District, who has office in Malulu, each family has on average 1.5-2 hectares of land under cultivation¹⁹. Malulu has an elementary school with 22 teachers. The village does also have a secondary school, but it is not possible to complete secondary school in the village, because the school only facilitates education up to 10th grade, while the

¹⁸ According to statistics obtained in Lichinga.

¹⁹ Interview with Director of Economical Services in Sanga District, Alberto Enoque 10.11.11

villagers need to travel to Lichinga in order to finish secondary school. According to local teachers most children attend the first year of elementary school, but already after this year the dropout rate is approximately 15 percent, and far higher during the seven years of elementary school. The number of pupils in first grade is 94, while it is 45 in seventh grade²⁰.

²⁰ Interview with teachers at the primary school in Malulu 15.11.11

6. Methodology

Bailey (2006) describes research methodology as the foundation that the entire research process rests upon. In this part I wish to outline the research strategy, research design and methods applied during my fieldwork, and to discuss why I chose to carry out the research in this way. This section also includes epistemological, ontological and ethical considerations.

6.1 Research strategy

Bryman (2008) describes a research strategy as a general orientation to the conduct of social research, and his definition of strategy is thus in my view close to the definition Bailey (2007) employs on methodology. Furthermore, Bryman outlines quantitative and qualitative research as the two main strategies in social research. He makes clear that quantitative research is mainly concerned with measurement and numbers, and the results are based on analysis of numbers and statistics. On the other side, while qualitative studies usually emphasize words and often base the results on analysis of interviews and observations (Bryman, 2008). A sharp distinction between the two categories is, however, somehow artificial, and an increasing number of social scientists apply mixed methods – in other words a mix between quantitative and qualitative methods in their research today.

The research strategy I have applied during my fieldwork is mainly qualitative, although there are elements of quantitative methods there as well, at least in terms of collecting numbers to establish certain facts such as on wages, numbers of workers, the difference in income from plantation work with GR compared to a regular income from subsistence agriculture and some other examples.

My main focus in the study is, however, on narratives and discourses, and particularly on looking into how the win-win narrative of Green Resources fits into how people living next to the Sanga plantation experiences the company, its operations and its version of the reality on the ground.

6.1.1 Ontology

“Ontology is the theory of underlying structures in biophysical or social entities. Ontology aims at discovering a framework for understanding the kinds of things that

constitute the world's structure" (Forsyth, 2002: 24-25). Subsequently, the ontological position this study takes, is a constructionist one. Bryman (2008) points out that ontology is concerned with the question of whether social entities (e.g. organizations), should be considered objective entities with a reality external to social actors (objectivism), or whether they should be considered to be social constructions formed by the perceptions and actions of social actors (constructivism) (Bryman 2008). In critical realism, which can be seen as a compromise between objectivism and constructivism, the view is that an external reality that can be separated from our descriptions of this reality actually exists. Critical realists do, however, not believe that this external reality can be captured and directly described as it is by the scientist, but rather emphasize that there is distinction between the object studied and the terms used to describe and understand the object. Robbins (2012) defines the compromise between a radical constructivist approach suggesting that "things are true because they are held to be true by the socially powerful and influential..." (Robbins, 2012: 127) and a positivist (objectivist) approach that considers only directly observable phenomena as genuinely scientific as soft constructivism. The soft constructivist approach acknowledges "our concepts of reality are real and have a force in the world, but that they reflect incomplete, incorrect, biased, and false understandings of an empirical reality. In other words, the objective world is real and independent of our categorization but filtered through subjective conceptual systems and scientific methods that are socially conditioned" (Robbins, 2012: 128).

6.1.2 Epistemology

"Epistemology is the theory of knowledge. Debates in epistemology refer to establishing the so-called conditions of knowledge, or the social and philosophical requirements necessary to possess, need, and use knowledge. A crucial problem in epistemology is establishing criteria for defining when we know, and do not know something. For example, there is much evidence to suggest that anthropogenic climate change ("global warming") is occurring. But accepting such evidence as "proof" requires answering questions about what sort of knowledge allows us to make that conclusion. (Forsyth, 2002: 24)" According to Bryman (2008), epistemology questions what should be regarded as acceptable knowledge within a scientific discipline. Bryman furthermore makes a distinction between positivism and interpretivism as two dichotomist opposites, where positivists see only phenomena

that can be directly observed as truly scientific, while interpretivism, which have more of a focus on understanding human behavior and seeing people's actions from their own point of view, as opposed to just explaining behavior based on external factors. Critical realism is also an epistemological point of view, and for critical realists "it is acceptable that generative mechanisms are not directly observable, since they are admissible on the grounds that their effects are observable (Bryman, 2008: 15). The epistemological position of this thesis is also heavily influenced by critical realism.

6.2 Research design

Bryman defines a research design as a "framework for the collection and analysis of data" (Bryman, 2008: 31). I used a case study design on my fieldwork, and thus the study can be described as a "detailed and intensive analysis of a single case" (Bryman, 2008: 52). The case in my study is thus *the social and economic impact of Green Resources activities on communities adjacent to the plantation*. And the focus is particularly directed at Malulu village. The case study design was chosen because I believe it allows for a broad and rigorous study that could give a clear picture of what the establishment of the Norwegian plantation means to local people in the area.

A viable alternative for me to doing a case study would be to do a cross-sectional study. A cross-sectional design, which typically takes the form of survey research and questionnaires, would give a larger number of people the ability to answer questions about NGR and the plantation, and would leave me with a larger number of respondents, more quantitative data, and a larger number of answers to a certain structured set of question than what I got with my regular case study. At the same time, there is no opportunity asking in-depth and follow-up questions to all respondents in such a survey, unless you have plenty of time (which I did not have). You do also end up asking the same questions to your respondents even if you see that the questions should be reformulated, unless you print new questionnaires. The case study design gives more time to examine the case with all its facets and to adjust questions while doing the study, and to adjust questions to the type of informants you are talking to. When taken into account that a large proportion of the local population in Malulu and Sanga is also illiterate, I found oral, semi-structured

interviews with local people, conducted together with an interpreter to be a better way of getting relevant data to answer my research questions.

6.2.1 Type of case study

I consider my case study in Niassa to be an *exemplifying case* (Bryman, 2008), in the sense that that Green Resources operates in the same field as several other companies. Thus the study might shed light on some of the common issues arising from such operations both in the same region and maybe also other places. In the literature review of this thesis I look at other research on the impact of the operations of similar companies. Furthermore, I compare my findings to the findings discussed in my literature review in the discussion of thesis and thus highlight what kind of issues that seems to be common following such land acquisitions, as well as what seems to be specific for the particular case of Sanga.

6.2.2 Generalization

It is, however, important to note that the findings on GR in Niassa cannot necessarily be generalized to other cases, as there is a set of factors that are unique to the case. The local and national politics, land laws, labour laws, as well as other particular features of Mozambique and Niassa, makes it in certain ways different from studying the same kind of enterprise in another African nation. The fact that the plantation is situated in the relatively sparsely populated province Niassa in Mozambique is also a factor making it different from for example having a similar plantation in a densely populated country like Uganda. Furthermore, Green Resources has its own way of running operations, making it to a certain degree difficult to generalize the findings to other companies operating within the same segment - at least without doing a comparative study on a similar company. But by looking into and comparing with other comparable studies, it can be possible to gain a more complete and general insight into how these types of land acquisitions affect local people.

The presence of other similar forestry and carbon offset companies operating in Niassa, could have given me the opportunity to do a comparative study of the local social and economic impact of land acquisitions and plantation business in this region of Mozambique. In this case, I did however choose to focus on Green Resources to get as much data as possible on this particular case. This choice was

made both due to limits on time and money, and due to the fact that I wished to conduct a thorough study on the Sanga plantation's local impact in terms of social and economic benefits or problems, instead of conducting two or three less thorough studies of similar cases.

6.3 Sampling procedures

Non-probability sampling procedures were employed throughout the field research, and in particular purposive sampling. This means that I ahead of, and during, the study mapped out who I should talk to in order to get valuable data. My focus was primarily on getting a good diversity of informants, in order to get as diverse data as possible about the social and economic impact I was there to study.

6.3.1 Informants

In addition to interviewing key informants within Green Resources, I also interviewed local farmers, plantation workers, the leader of the trade union on the plantation, the local chief, members of the local council that negotiates with Green Resources, people that received compensation from GR, people that did not receive compensation from GR, members of the village council, members of the local administration, the leader of the local agriculture office, the leader of the farmers union, employees at the hospital and in the police force, teachers and of course many regular villagers that I just happened to meet in the village in between interviews and search for new informants. What all the informants had in common was that they had an opinion about Green Resources and the plantation. By talking to all these different people I could get a detailed and multifaceted narrative of how GR had an impact on the local economy, land access and access to resources, crime, education, local businesses and so on.

In addition to purposive sampling, snowball sampling was used in cases where informants recommended new informants that were subsequently interviewed during the fieldwork.

6.4 Data collection

Most of the data collected was primary data, and it was primarily collected through semi-structured key informant interviews and focus group interviews. In-depth

interviews were conducted with both representatives of GR, and with a broad specter of villagers, customary leaders and local authority representatives. In order to keep track of everything that was said, I tried to have maximum four persons in the focus groups, but on a few occasions the situation forced me to accept a higher number. Semi-structured interviews were chosen in order to ask certain key questions, but at the same time let the respondents express their views and thoughts besides these questions. In addition, observations and informal conversations gave me valuable insights. Moreover, photos taken from the field during the stay serves as important data and evidence about the situation on the ground.

In order to get relevant secondary data, I have used the Internet, newspapers and books, and I have acquired and read documents that are relevant to the case.

6.5 Ethical considerations

Several ethical issues came up during my fieldwork, and left me with a few more or less difficult choices to make.

6.5.1 Informed consent

In my interaction with the informants, I played with as open cards as I possibly could. I put great care into making sure that the informants participated on the basis of informed consent. Before interviews, they were informed about the purpose of the study, about the right to be anonymous, and about how the thesis could possibly contribute. I did, however, also make very clear that I was not in any position to change any of GR's policies myself, but that the company and other parties with influence hopefully would take the findings into consideration.

With regard to my interaction with Green Resources, there were a few ethical issues I had to consider. In my view, being completely open about absolutely every issue I wanted to raise during my interviews ahead of actually conducting the interviews could on a few occasions possibly have concealed vital information. As a journalist I have experience with interviewees avoiding interviews if they know they will get very critical questions, and therefore it is always important to consider how much the interviewee or informant should know about the questions ahead of the interview. One example that illustrates this, was the interview I conducted with the leader of the

union for the plantation. I have reason to believe that it would have been difficult to be able to conduct this interview if all my questions were known in advance, but this is of course not something I can know for sure. Anyway, it was in my view more important to get relevant information about the working conditions on the plantation than to tell GR about every single step I intended to take in this particular case. But apart from this and maybe a few similar exceptions, Green Resources was very well informed about my movements and the purpose of my study. It is also important to note that GR did not try to stop me in any way to conduct any interviews (not as far as I know at least), and that I was able to interview all the GR representatives I requested interviews with.

6.5.2 Anonymity

Surprisingly, almost no informants seemed scared to speak out with full name. Most of the locals I interviewed were very outspoken and had strong opinions about Green Resources, local chiefs and local government representatives. Apparently, there were no major problems related to freedom of expression and fear of the authorities or GR among villagers in interviews and conversations. They were, however, all informed about the opportunity to be anonymous, and although most chose not to be, I have decided not to use names of all informants in this thesis. In my view, the age and position is in most cases enough to get the context of quotes or information that is used, while I find it more natural to use names in cases where the informant has a specific position. A rule of thumb for me has been that the more influence and power you have, the more natural is it to expose you with your full name in order to make you responsible for your actions and decisions as a public or corporate decision-maker. Additionally, just mentioning a position like for example “plantation manager in Niassa Green Resources” would anyway reveal exactly who the informant is. Scheyvens and Storey emphasize that despite the fact that some informants wish to be acknowledged, “the researcher might decide disclosure is inappropriate in terms of future harm” (Scheyvens & Storey, 2003: 139). It is in line with this that I do not wish to expose less powerful individuals in my thesis. Less powerful individuals does in this case mean villagers and workers with little power to influence the decisions made by GR or the authorities.

6.5.3 Reciprocity

“Your informants give up their time and provide you with information, but what do you give back in return.”

Scheyvens and Storey (2003: 155)

With my relatively limited funds, I did not offer gifts or money to the informants. During longer interviews I did offer something to drink, but that was basically all. When you interview more than 50 persons, it becomes difficult to do otherwise unless you have sufficient funds. A factor I believe contributed to the fact that many villagers and workers still were willing to use their own time on talking with me, is that everybody knows somebody who is affected in one way or another by the company and the plantation. To me, it seemed like it was important for workers, farmers and other villagers to talk about issues they have with Green Resources, and particularly about how they think the company should improve their practices. As already mentioned, I told the informants that I could not promise them anything in return, but that I would do my best to disseminate the thesis with its findings to relevant decision makers and thus hopefully have a positive impact based on that. It should also be noted that paying informants is in itself controversial. Among the problems that could arise from such a practice, is that of informants being more likely to give you the type of answers they think you want to hear in order to please you (Scheyvens & Storey, 2003). If informants are paid for example in a study carried out on behalf of a company like GR, it might very well affect the answers in favour of the company. Paying for interviews can also create an environment in which informants refuse to talk with researchers unless they get paid, which is certainly not in the interest of the majority of researchers that are not heavily funded.

6.6 Other practical issues

Apart from the ethical considerations, there were also other choices I had to make which had an impact on my fieldwork and thus this thesis.

6.6.1 Accommodation

One issue that I considered was whether I should live in the village where most of the fieldwork was conducted, or whether I should stay in the provincial capital, Lichinga, about 75 kilometers away, where Green Resources had their office. Due to

considerations about language (and admittedly also comfort and privacy), I chose to stay in Lichinga. There was no way to communicate or make phone calls for me from Malulu, so it would have been very difficult for me to communicate and arrange meetings and interviews outside Malulu from the village.

6.6.2 The language barrier

During interviews in the village, I had to use an interpreter, and with the use of an interpreter, there are of course issues. First of all, it is important to ensure that the interpreter has experience in the field, and is considered to be reliable. In my case, I needed an interpreter that knew English, Portuguese and the local language Yao. After consulting an international NGO in Lichinga (one of the very few), it turned out that there was only one person who was considered to manage all these three languages satisfactorily, and for me as a student it turned out to be a quite expensive affair to hire this interpreter. On a few occasions, when this interpreter was not available, I did also use an interpreter that knew Portuguese and English, but not the local language. It did, however, work out since there were Portuguese speakers among the informants in all of these interviews. When it came to ensuring the quality of the translations, the best I could do was to ask around for the interpreters with the best reputation. Since I also know some Portuguese, I was able to pick up some sentences myself as well, and to evaluate the translation based on this. As far as I could hear, the interpretations were correct in these cases.

6.6.3 Transport

Another issue during the fieldwork was transport. When I hired the interpreter, I was eager to find an interpreter that was not currently or previously hired by Green Resources, in order to avoid any kind of conflict of interest. Ideally, I would also have liked to arrange all transport independently of Green Resources (except from going together with GR to the plantation). There are two reasons why I wanted to avoid this. First, it was important for me to conduct the fieldwork as independently as possible. I was not in any way a consultant hired by GR, and thus I did not want to be dependent on their resources either. Although I know by myself that I would not change my research in favour of GR even if they funded me, it is important for me to be viewed as an independent researcher by all parties. Secondly, it was particularly

important for me to be viewed as independent by the villagers, as opposed to being viewed as some kind of GR representative.

Because of financial constraints, I did, however, accept rides with Green Resources to the field at several occasions. This was not a service they did for me in particular, but they accepted that I joined in the car when driving to work in the morning. Ideally, it would be preferable to avoid all such transport, but the expenses of renting a car, together with the fact that such expenses would have had a profound impact on the time I was able to do research and thus on the number of interviews and observations, made me do what we can call a practical compromise in that situation. I did, however, stress ahead of all interviews that I was not in anyway a representative of GR, and all informants seemed to understand this.

6.7 Coding

I approached the data collected from the interviews thematically when coding and categorizing my findings. This means that I thematically categorized the data into themes like working conditions, community development, impact on food security, compensation and so on. Statements from each interview were then placed under each category, and together with a categorization of informants (e.g. farmer, NGR employee, NGR senior manager etc.) this thematic approach provided a useful framework for the analysis of the data.

6.8 Limitations

Finally, it is important to note that there are limitations of this study. First, is the already discussed issue of generalizability. Secondly, the use of an interpreter makes nuances disappear and the researcher unable to be sure about whether the translation is completely correct or not. Thirdly, most of the interviews were done in Malulu, and the interviews I did in another village to crosscheck whether they had the same issues, made me suspect that Malulu is actually the village that is best off in the area in terms of the social and economic impact from the plantation business. The limitations of this thesis will be discussed further in the analytical part of the thesis.

7 Key findings from the field study

My fieldwork in Sanga revealed, not surprisingly, that the Sanga plantation have had a social and economic impact for a considerable number of people living in the plantation's proximity. This chapter will give an account of key findings from my fieldwork. The findings are from Malulu, unless otherwise is indicated.

“We are in a very early phase of the Sanga project, and so far the results have been worse than expected. But we have not invested much in this plantation. I have more faith in other projects.”

CEO Mads Asprem

7.1 Impact on economy and livelihoods

By being the only private employer in the village, providing work for 215 persons, most of them from Malulu, the Sanga plantation obviously impacts the local economy of Malulu. One key finding was that people working for Green Resources increased their cash income considerably, and made some workers able to invest in their own welfare by for example building better houses²¹. On other economic indicators, including food production, the data from the field is more ambiguous.

7.1.1 An injection of cash

Green Resources has a policy of employing local people from villages adjacent to the plantations²². This means a certain sum of money ends up in families in the local community; families who would not have this income without the plantation. The income for a regular plantation employee is larger than a regular income from small-scale cash crop production, which is the most common way to get a small monetary income on top of the subsistence farming. This type of small-scale cash crop production is usually the only way for most people to get access to money in the district. During the five years NGR has operated in the Sanga, around 1,000 families have at some point received an income from the plantation²³. This income has only been temporary for most of the families, as only 215 workers are employed today,

²¹ This was highlighted by a considerable number of informants, both among villagers and GR employees and management.

²² Interview with GR CEO Mads Asprem 24.02.12.

²³ Interview with NGR General Manager Innocencio Sotomane 09.11.11.

and among these, and most of these are seasonal workers. Only a tiny minority of the workers approximately 1,000 person who has at some point been hired by NGR, has been employed for all five years. According to CEO Mads Asprem, the company has invested 3,3 million USD in Sanga so far²⁴.

The plantation's effect on local businesses seems to be very limited. Key informant interviews with local businessmen and businesswomen in Malulu revealed that none of them had experienced any considerable impact on their businesses either in a negative or positive direction as a result of the plantation²⁵. The women, did however claim that their businesses had experienced a small upturn after the plantation was established, but emphasized that a common problem was that many workers bought groceries on credit, and that while most of them do pay back, some of them did not.

Like any other company in Mozambique, Green Resources pays very low annual fees for leasing land. The regular annual fee for renting land in Mozambique is about 2.5 USD *per year*. In addition to this, there is a fee ranging from 0.17 USD to 1.23 USD per hectare per year for different types of crops, according to a list I received from the Investment Promotion Centre in Mozambique. NGR refused to give me exact details on how much they pay in leasing fees in Niassa each year, but the information received from the Investment Promotion Centre indicates that it is a very low sum.

7.1.2 Impact on food production

Regarding the plantation's impact on local food production, the data from the field is not clear, because the local economic services office in Malulu could unfortunately not provide data on local food production in the village²⁶. Some informants claimed that food production has decreased after the plantation was established, others claimed the opposite, and most claimed that the plantation not make a significant

²⁴ Interview with GR CEO Mads Asprem 24.02.12.

²⁵ Interview with businessman 26.10.11, interview with businessman 14.11.11, and interview with four businesswomen 15.11.11.

²⁶ It would in any case be difficult to crosscheck these numbers, but numbers together with consistent claims from informants would in any case be better than no numbers and highly divergent explanations from informants, which unfortunately was the case here.

difference. Naturally, without reliable data, none of these claims have been possible to confirm.

The Project Officer in the Farmer's Union in Malulu claimed that local food production has somewhat decreased because some villagers now work on the plantation and has less time for food production and subsistence farming²⁷. On the other side, the Director of Economic Services in Sanga District reassured me that the food production in Malulu have increased since Green Resources came to the village. According to his explanation, this was mainly because of the government in recent years has provided villagers with a better type of maize seeds, and not because of NGR²⁸. Neither the Project Officer nor the Director of Economic Services could, however, provide any statistics to back these claims.

7.1.3 A calculation

According to the Director of Economic Services in Sanga, a regular family in Malulu mainly produces maize for subsistence. The farm plots are usually between 1.5 and 2 hectares in the village, and the families would most often produce maize. According to the director, a regular family produces between 2.7 and 4.0 tons of maize in a year. The maize can be sold for between 7 and 9 meticaïs (between 0.25-0.32 USD) per kilogram. According to the director, a regular family would sell between 0.8 and 1.0 tons of this maize on the market, and keep the rest for their own consumption.

Let us say that a family sells 1 ton of maize on the market for the price of 9 meticaïs per kilogram. According to the director, this would be a best-case scenario for a regular family, and the family would in this case earn 9,000 meticaïs (about 328 USD) on the maize. Additionally, family could possibly sell some fruits and some vegetables, although on a much smaller scale compared to maize. If we add it all together, we might say 400 USD in cash income for a family with the ability to sell one ton of maize.

²⁷ Interview with Project Officer in the Farmer's Union 02.11.11.

²⁸ Interview with Director of Economic Services in Sanga District, Alberto Enoque 10.11.11

With these numbers in mind, let us say that a villager is hired on a six-month contract for NGR as a regular plantation worker. In this case the villager would earn 2,130 meticaís per month²⁹ (about 77 USD). In six months, that would mean 12,780 meticaís (461 USD) in income. The villager would then be able to more than double the cash income of the family, providing that in cash crop production did not drop substantially because the plantation worker could contribute less to the family.

Even if we assume that the cash crop production drops by 50 percent because of the absence of the worker during workdays, the family would still earn about 260 USD more than if the family member was not employed. If the employment of one family member, however, meant that the family was only able to produce enough for subsistence, and nothing extra for sale (about 25 percent drop in total maize production) the extra income would be far more marginal. In that case the family would have exactly the food it needs for subsistence and earn only about 60 USD extra in cash. Furthermore, if the total estimated production of one ton falls by 30 percent or more, one can actually start talking about deterioration in the family economy.

Finally, it is important to note that the plantation worker would need to use the money on family welfare, and not alcohol or other things that are useless for the rest of the family.

A good question is anyway: Is the food security improved for the family in this case? The answer is only yes if the money earned from plantation work is used in a sensible way, and with concern for the food security of all members of the household. If the worker is employed on a permanent basis on a full-year contract, the situation is different. In such cases, there is no doubt that family income increases substantially, and as long as the employee uses the money for the benefit of the whole family, there should be no doubt that family welfare and food security is

²⁹ Interview with leader of the Trade Union Sauale Artur Piale 04.11.11. NGR management confirmed this number.

increased, even if the worker is not able to contribute to production of food at all³⁰. Supervisors, who enjoy a higher salary, and their households, should be able to benefit even more.

7.2 Impact on access to land and resources

A key concern among villagers both in Malica and Malulu, is that people now have to walk further away from the village to get firewood because of the plantation. The same thing has happened with the access to traditional medicinal plants.

Furthermore, several informants in Malulu noted that they were unhappy about the plantations' location. Because the plantation almost surrounds the village, it could potentially cause conflicts related to the rapid population growth and consequent expansion of the village.

“The access to traditional medicines has changed. We have to walk further away now.“

Villager (29), Malulu

When it comes to water access, the plantation does not make a difference in either a positive or a negative direction, according to both villagers and the company. The plantation itself depends on rainwater, and no artificial water sources are used anywhere in the plantation³¹. The company fetches water for the tree nursery from a small river, but without any visible impact on the river flow. Most of the trees planted in Sanga are very young, but in the oldest part of the plantation there were clear signs of monocultures about to be established. NGR do clear some land, including bush and small trees on the spots where new trees are planted³². When I asked about how they clean the land, I received different answers from different representatives of GR. I was first told me that they only clear grass, and bush, while but after having a closer look at the plantation and asking again if this is true, I was told that they also chop down smaller trees to clear space for eucalyptus and pine.

³⁰ In most cases, a GR employee usually continues to contribute to food production, according to several informants including workers. The fact that they work on the plantation naturally decreases their contribution in food production, however.

³¹ At least not as far as I could see in the parts of the plantation that I visited.

³² I witnessed with my own eyes that land was cleared around the planted trees, and this was also confirmed during one of my two visits to the tree nursery.

Since the farmers in Niassa practice so-called slash-and-burn agriculture, they move their crop fields about every fifth year, when the soil is exhausted. When the *machambas* they have left are ready for food production again years later, they do not have any official right to claim this land back, according to Mozambican law. This means that when companies like GR can make a deal with the government to lease such areas, like they have done in Sanga, and that they do not need to pay any compensation as long as the fields have been left fallow. Many farmers find this to be unfair, since they have cleared the land and since the fields could be used in the future, but the law is on the side of the company in this situation.

NGR General Manager Sotomane underlined that no farmer would be forced off the land by GR, even though they could have done exactly that with the law on their side.

“The Management Committee is there to pursue people to move voluntarily”

Innocencio Sotomane.

According to the General Manager there is no conflict between NGR and members of the local communities – neither on access to land nor on other issues. The General Manager claimed that as long as there are mechanisms to solve issues that come up with the local communities, it should not be considered as conflicts³³.

7.2.1 The story of four farmers

Many informants did, however, certainly not share Sotomane’s view on conflicts. Many of the villagers I interviewed perceived NGR to be forcing people off the land, and some villagers even claimed that they had themselves been forced to leave the land they used to cultivate without getting compensation.

In a focus group interview³⁴, a 28 year old man told: “They came in and told me: We will plant trees here. I asked them where to go, and was told: We will find a new

³³ Interview with Innocencio Sotomane 09.11.11.

³⁴ Interview with four farmers that were unhappy with GR’s compensation policy 14.11.11.

place for you. That has not happened until now. Now I have found a new small plot, but it is further away from my home. I had farmed in the area for six years when I had to leave”³⁵.

In the same focus group interview, a 50-year-old woman told about her experience with NGR: “The company came in, and I started working for them. They told me that they would come and see me at my farm, and later on they told me that I had to move and gave me two options: The first was that they would find a new space for me to farm, and the second was to give me a bag of fertilizer. So far I have not received any of those. I went back to ask them for a reason. They wrote the name down, but still have not heard anything from them. This happened in 2010, and until today they have done nothing to help me. Therefore I went to find a small farm for myself. GR fired me, and now I am just farming on my plot”.

The four villagers claimed that they had considered taking the land issue to court, but believed that they would most likely lose in the District Court. At the same time Green Resources deny these farmers’ allegations, and accuses claim they are liars. Particularly one of the informants was accused by NGR of being an opportunist who started cultivating several plots within the designated plantation area *after* GR had already leased the land, and then demanded compensation to move away³⁶. According to the NGR Community Development Assistant, there were still 27 machambas eligible for compensation left within the Malulu unit, and in addition “some opportunists that we avoid”.

During the fieldwork, I did also interview farmers who had received compensation from NGR and who were satisfied with the compensation, including one of the members of the Malulu Management Committee³⁷.

7.2.2 The case of Malica

Most of my fieldwork was conducted in Malulu, because this was the first place where GR planted trees, and because the village is almost surrounded by the biggest

³⁵ Focus group interview 14.11.11.

³⁶ Interview with Community Development Assistant Zefanias Mawawa 18.11.11

³⁷ Interview with Maria Fatima Agostinho 28.10.11.

unit in the plantation, the Malulu unit³⁸. Secondly, because of money constraints, and thus also time constraints during my fieldwork, I found it most valuable to focus in-depth on one village. In order to get an impression of whether the plantation has similar impacts in other villages than Malulu, I did however visit Malica, which is a small village about 11 kilometers north of Lichinga.

Inhabitants in Malica expressed a range of concerns about NGR's operations. In a focus group discussion with eight villagers from Malica, serious issues came up on how NGR deals with the local community.

"I can only say that they have not been good. They have promised things that they have not followed up."

Sungupa Sandali, member of the Management Committee in Malica.

At the time of the interviews in mid-November, no community development projects were initiated in the village, despite several promises. One of the promises from NGR, was to build a market in the village. After several delays, and promises from NGR that they would now start to build the market, villagers were getting angry with both the company and the local Management Committee in Malica at the time of my visit.

Furthermore, according to the focus group informants in Malica, farmers who have had to leave their farms received no compensation from the company, but these claims were also countered by NGR's Community Development Assistant, who also underlined that

"There is a big problem regarding land. The chiefs did not consult the community, and the company just started planting here because of the chiefs. There is a big issue with people who do not want to move from their farm plots now, and they are going to remove the trees if they are planted too near their plots. Elders own most of these farm plots, and they cannot move further away."

Villager from Malica talking about the land acquisition process.

³⁸ * See Appendix 4, map of the Sanga plantation.

In addition, the informants in Malica said that villagers now have to walk further away to fetch firewood, which is primarily used for cooking, because of the plantation. The plantation has, according to the villagers, not worsened villagers' access to water, but the focus group informants expressed a hope that GR can assist with digging boreholes to improve water access in the village.

Furthermore, the informants accused NGR and the local MC of corruption. According to the informants, the company had bribed the MC. At one occasion in August 2011, each of the 24 members of the committee was given 1,000 meticaï (about 36 USD) in cash by the NGR, without any explanation from the company. This was also confirmed by 11 of the committee members in a focus group discussion³⁹. One of the members of the MC said: "Well, if somebody gives you money, do you say no? But I understand that it is perceived as bribery⁴⁰."

Among villagers, much of the frustration is directed towards the Management Committee rather than NGR, according to the informants in the village. "The committee is feeding the problems, it is not just the company", said one young man who wanted young people to be involved in the committee that was made up of village elders. During the interview with the MC, one of the members said: "The Management Committee is becoming reluctant because people oppose the plantation, while the committee members were initially positive. We promised the community what Green Resources had promised us, and now we feel bad in front of the people," he said aiming at the market that was still not built.

During the two focus groups interviews that I conducted in Malica, I heard very few positive words about NGR and their operations. All informants did, however agree that the people in the village who worked for the company and their families benefited economically. These workers and their families, however, constitute a very small minority in the village.

³⁹ There are 24 members of the Malica Management Committee. 11 of them joined the focus group discussion on 18.11.11.

⁴⁰ Focus group discussion in Malica 16.11.11.

Finally, according to the Malica informants, NGR has promised to arrange DUAT's for villagers, but the company did not follow this up. At the time of the visit, the MC declared that they would dissolve and cancel all further deals with NGR unless the company immediately started to fulfill its promises.

7.2.3 Consultations

Malonda Foundation, which today has a share of 20 percent in NGR, was responsible for the public consultations ahead of the land acquisitions in Sanga. Several community meetings took place in 2006 and 2007 in Niassa province, according to MF's Public Consultation Report (MF, 2007b). According to the report it was up to local authorities (chiefs and secretaries) to call the public to the meetings in the villages. It might seem like some of them failed to do this, as there has been a consistent claim from villagers that they were not properly consulted. According to the same report, one of the key concerns raised in the meetings, was that the villagers thought they should have been consulted during the process of indicating the areas for the plantation (which they were not) (MF 2007b).

Even though NGR has a habit of consulting local leaders, a report from the World Rainforest Movement, gives an example from Niassa where the traditional leader of the small village of Bairro Qavago was not involved in consultation about planting trees right next to his village. The leader expressed discontent with the way NGR conducts business in the area, and wondered why the company could not plant the trees further away from the village. The leader also feared that plantation will block the panorama view of the Lichinga plateau from the village (Overbeek, 2010).

The issue of poor consultations came up repeatedly in interviews with villagers in Malulu (and Malicia), who felt they did not have a say during the land acquisition process.

7.3 Working conditions

NGR has a policy of not recruiting people that are older than 40 years of age, but can make exceptions if for example the local chief recommends an older person for a job. The NGR Human Resources (HR) Manager also emphasizes that no pregnant

women are hired⁴¹. Generally, the chief has great influence over who is chosen to work for the company, according to NGR's HR responsible Dercio Massango. "The chief is a dominant power, but we can also recruit on our own if we wish", Massango explained. The groups that workers are picked from could, however, consist of as many as 150 persons, according to Massango.

When it comes to education, the NGR plantation workers are offered the opportunity to take primary education up to 6th grade. At the most, the company had 25-30 workers attending, but after a while very few workers were interested in using this opportunity, according to Massango and teachers working in Malulu. The opportunities to make a career within the organization are very limited. Most of the workers have limited or no education. NGR does also consider establishing some kind of school for employees that will give them an opportunity to advance within the company.

7.3.1 Contracts

In 2011, a set of new contracts was introduced by NGR⁴², despite strong protests from the union and its members. All employees, including the leader of the union in NGR, were highly negative to these contracts that do not state the duration of employment, and the contracts did also give the company a bad reputation among regular villagers not working on the plantation. The uncertain contracts are not time-specific, and people working on these contracts thus do not know the duration of their employment. According to NGR manager Innocencio Sotomane, these contracts were proposed by GR's lawyer in Maputo claimed that the uncertain contracts give both the employer and the employees more flexibility and a chance to continue working for the company, and that the new contracts thus improved the terms of employment for the workers.

"It is a waste to send away good workers, because we cannot employ them permanently," Sotomane said in the interview. According to the General Manager, this flexibility comes from the fact that workers can only be rehired two times on

⁴¹ Interview with HR responsible in NGR, Dercio Carlos Massango 14.11.11.

⁴² This was confirmed by both NGR management and employees, and I was able to read and take photos of the contracts.

temporary contracts in Mozambique before the company have to employ the worker on a regular permanent contract.

A majority of the informants were negative towards the practice of hiring most of NGR's employees on temporary contracts, and the new uncertain contracts were even more unpopular.

7.3.2 Salaries

There is a range of issues regarding salaries in NGR. First of all, salaries are very low. Regular plantation workers earn 2,130 meticaís (approximately 78 USD) per month, while supervisors, who are the next in the hierarchy, earn 3,128 meticaís (approximately 113 USD) per month. These are lower salaries than for example Chickweti, which also operates in the forest plantation business in Niassa, pays its employees. The salary gap between a supervisor and the next person in is huge. The technician in charge of the nursery in Sanga earns 15,000 meticaís (546 USD) per month⁴³.

Mads Asprem explained to me that the company needs to pay far more for people with an education, and his personal opinion was that educated people in Mozambique are overpaid.

Moreover, salaries are usually reimbursed many days, and sometimes weeks after payday by GR. According to Asprem this happens because the company struggles to get access to sufficient funds for paying the workers.

“The alternative is to close down the business. The employees in Niassa get their salaries before me.”

Mads Asprem

⁴³ Interview with Gordinho Manuel Lourenco, technician in charge of the tree nursery in Sanga 04.11.11.



Figur 1: Women working in the Sanga plantation nursery.

7.4 Community development

“Local development is important to us. When we get land, it is because of the development we create. That's what we pay with. The more the development we provide, the better relations we get with the locals. Everyone in the company think it is really encouraging when we are able to facilitate local development.”

Mads Aspren

Mads Aspren explains that the local development effect in Malulu and other villagers surrounding Sanga has been limited because it is a small plantation where the company has been for a short time, and has invested a small amount of money. According to Aspren, GR has invested 20 million NOK (3,3 million USD) in Sanga.

GR promises to reinvest 10 percent of all carbon-offset profit in local development wherever they operate plantations. In Sanga, however, there is no income from carbon credits, and when and if this income will come is at this point highly uncertain, and thus not something that will give villagers any benefits in the near future. NGR

promises to reinvest in local development, but this development is not specified, so in practice it could mean uncertain, short-term employment.

7.4.1 Projects and grants

The only NGR-sponsored activity that could be called a project is the so-called soybean project. This project is supposed to give about 250 farmers in Malulu the opportunity to grow soybeans from seeds granted by NGR. The plan is that the company will pay the farmers a fixed price for the soybeans and the resell on the market in Lichinga. According to Community Development Assistant Zefanias Mawawa, the farmers should be able to earn 3.000-4.000 meticaís (108-150 USD) in a year on this project. 250 more farmers from a village called Mtwili are also supposed to be included in this project⁴⁴.

Moreover, NGR has given 7.000 USD for community development projects in Malulu, and has provided the school in Malulu with school desks and chairs, and a computer room. If the 7.000 USD is spent wisely, the MC will receive the same amount next year, according to Sotomane. At the time of the visit to the Malulu, several villagers expressed concern about how the MC would manage the money.

The teachers in Malulu noted that the company has donated some sports equipment and have built roads to ease the access to the plantation, which can also be used by villagers.

7.4.2 Development plan and contracts

NGR does not have a community development plan with specific goals and deadlines, and the company does neither negotiate and sign clear and time specific contracts with the communities on specific community development projects. According to the Sotomane, such a plan will be created, but he gave no deadline.

⁴⁴ Interview with NGR Community Development Assistant, Zefanias Mawawa 18.11.11.

7.5 Other issues

This section outlines the remaining findings from my fieldwork that I find important to mention in this thesis.

7.5.1 Broken promises and delays

A key problem in the interaction between NGR and the local communities is the lack of trust many villagers have in promises from the company. As the example from Malica illustrates, the company has not been following appropriately up on its own promises. Villagers in Malulu expressed the same concern. One example mentioned was the soybean project, where several informants pointed out serious delays in the project. Some villagers

The CEO of GR, Mads Asprem said he was genuinely disappointed that promises about local development are not followed up on as planned in Niassa. Asprem stated that it something was wrong with the priorities of local managers are not able to follow up on such promises and during my interview with Asprem he stated an intention to conduct more of his work in the field in the coming years in order to be able to monitor operations on the ground more properly.

7.5.2 Schooling, health and crime

Plantation workers send their children to school, because they know the importance of education, and because they have money to pay the expenses that follows with schooling, according to teachers at the school in Malulu⁴⁵.

The plantation has not had a significant impact on the health situation in the village, neither in a positive or negative direction. The Director of Health Services in Sanga, noted that the hospital in Malulu had very few incidents with injuries related to plantation work, and that she did not know about any other health issues related to the plantation. One former plantation worker told that a snake while working at the plantation bit her. Although she was transported to the hospital, she noted that the company did not pay her for the rest of the day⁴⁶.

⁴⁵ Interview with teachers at the primary school in Malulu 15.11.11.

⁴⁶ Interview with four former GR employees 02.11.11.

The head of police in Sanga told me that there were very few incidents of crime registered in the district that were related to NGR and its plantation business. The most serious issue is plantation fires. During 2011, the plantation was put on fire two times. One of the incidents was an accident, while the second was arson initiated by a person that was found insane⁴⁷ by the District Court⁴⁸. The number of fires in the plantation yearly, and NGR hires a team to prevent fires. No one has ever been put in jail for arson in Malulu, but rumours and speculations among several of my informants would have it that people that were unhappy with the policies of NGR were behind. Chickweti, another plantation company in the region, have struggled even more with fires because of strong disagreements with local communities.

7.5.3 Emerging monocultures

The original plan for the Sanga plantation was that the ratio between eucalyptus and pine should be 30/70, but due to a lack of success with pines, NGR recently changed their plans, and the ratio will now be 60/40, according to NGR Plantation Manager Gracindo Sayal. Currently, most trees on the plantation were planted very recently, but in the part of the oldest part of the plantation, where the first pines were planted five years ago it was obvious that a pine monoculture was starting to emerge.

⁴⁷ This is the term that was used by the court to describe the person's mental state.

⁴⁸ Interview with Rosa Isabel Raul, Head of Police in Sanga District 10.11.11.



Monocultures were starting to emerge in the oldest part of the Sanga plantation.

7.6 Summary of findings

As the only private business employer in Malulu, NGR provides 215 families with an income they would not have without the company. During the five years the company has operated in Sanga, it has given income to around 1.000 families. Only a small proportion of these families have had a secure income during all these five years, however. The plantation's impact on local businesses in Malulu seems to be very limited. The general level of local food production has neither been affected substantially. The price paid to the government for leasing land in Sanga is very low.

Regarding land issues, there are several unresolved compensation cases, waiting to be resolved. Some villagers are concerned that the plantation may be an obstacle to the expansion of Malulu. Many villagers now have to walk further away from the village to fetch firewood and medicinal plants, while water access has been unchanged. Many informants expressed discontent with the community consultations before land was acquired in Sanga.

In Malica, the villagers were at the time of my interviews still waiting for any community development to happen. The advantages of the plantation are therefore fewer in Malica compared, and the discontent with NGR was generally higher among the informants I interviewed there.

The salaries for regular plantation workers are barely above statutory minimum salaries in Mozambique, and are usually not reimbursed on time. Furthermore, the workers are unhappy with temporary contracts, and even unhappier with the uncertain contracts that were introduced in 2011.

GR has given 7,000 USD for community development in Malulu and donated some school equipment to the village. Some local farmers will be included in a soybean project, where they can earn money on selling soybeans to the company, who resells it on the market.

A high number of my informants expressed that the company is generally bad at keeping promises.

On schooling, the establishment of the plantation has had a positive effect according to local teachers. On health, the effect has been negligible. The plantation has experienced some fires, and some of these fires are intentional arsons, according to villagers.

Tree monocultures seem to be emerging in the oldest areas of the plantation, particularly the part close to Malulu that was planted in 2007.

7.5.1 Do villagers want the company to stay?

Absolutely all informants from Malulu had one or more concerns about the Sanga plantation and how NGR runs the plantation. Most informants wanted NGR to change its policy towards employees, but few demanded the company to end its operations in Sanga and leave the land. In Malulu, there seemed to be almost a consensus that the company, despite all its flaws and shortcomings, brings development – mostly in the form of employment – to the village. The most important argument among the

villagers in this regard, was that the company actually provides some local employment.

There were, however, also some voices in Malulu that were more openly pessimistic. The secretary of the powerful District Consultative Council⁴⁹ in Sanga, for example, went as far as saying that if the company does not change its policy on several issues, including paying salaries on time, they should consider leaving the area⁵⁰.

Even though a majority of the informants did openly ask the company to leave, most had several complaints and wanted the company to improve its policies towards the local community and its employees. In Malica, the informants were generally more critical towards the company and several villagers wanted to stop the company from planting more trees.

⁴⁹ The District Consultative Council (Conselho Consultivo) was created by the Government of Mozambique to look after the needs of local communities and take issues (like boreholes etc.) raised by the local communities to the District Administration, according to my informants from this Council.

⁵⁰ Interview with Ndala Omar, president in the District Consultative Council, and Anna Assamu, secretary of the District Consultative Council in Sanga District 01.11.11.

8. Discussion: Narratives and findings – how do they match?

In this section I aim to compare my findings to the narratives and the perspectives presented earlier in this thesis. First I examine how my findings fit into the win-win narrative presented in section 2.2.1 and the land grabbing narrative presented in section 2.2.2, as well as the perspectives presented in 3.2. Finally, I take a stand on whether the case I have studied represents an example of land grabbing based on the definitions offered in this thesis.

8.1 Sanga and the win-win narrative

GR presents the establishment of the Sanga plantation as a win-win situation in several aspects: local communities win because of job creation and economic and social development, Mozambique wins because of improved infrastructure and tax income, the climate will win because of carbon offsets, the environment will win because of biodiversity conservation, shareholders will win because of high returns and customers win because of low prices.

So, how do this extremely positive narrative match my findings from the field? One thing is definitely true: The plantation does create jobs - 215 people are employed by NGR, and many more have been employed at some stage since the first trees were planted in Sanga. As the largest private employer in Malulu and several other villages surrounding the plantation, NGR offers families a cash income that many of them would not have the opportunity to get without the plantation.

The World Bank has mentioned provision of public goods and social services, job generation and indirect employment, access to technology and markets for smallholder producers and payment of taxes to local and/or central governments as possible positive effects from large-scale land investments.

Is this the case in Sanga? The Mozambican government does get some money from leasing the land to NGR, albeit the income is very modest, basically negligible, because of the extremely low fees for land lease in Mozambique. In terms of other public goods, the school equipment donated by NGR is certainly positive for some pupils in the village, and the plantation roads could be seen as an infrastructural

improvement – but hardly of the kind that really makes a difference in terms of access to markets for smallholder producers. In terms of social services, GR does not make a difference at all.

Apart from the workers, and their families, who earn an income directly from the plantation, and the farmers who are supposed to earn a small sum of money from the soybean project, it is however hard to see that the general population benefit substantially from the plantation in any way. With approximately 13,000 inhabitants living in Malulu, and several thousands more living in other villages surrounding the plantation, 215 workers, most of them working on short-term contracts on minimum salary, has a very limited on the local economy as a whole. 7.000 USD given to the local management committee in Malulu for local development projects is something – but again: when this is given to a village with 13,000 inhabitants, it is hard to see how more than a tiny share of the local population will experience any positive effects from this.

When it comes to the effects for the climate and the biodiversity, it is somehow outside the focus of this case study, but it is worth to note that many people would not consider monocultures of eucalyptus or pine to be a contribution to biodiversity, and that the plantations future contribution to carbon sequestration is still highly uncertain. When it comes to income for the shareholders, it is worth to have in mind that Mads Asprem explained to me that the company struggles to find enough money to pay salaries to its own employees. Issues like this question the sustainability of the Sanga plantation and GR's operations more generally. I will come back to this later in the discussion.

8.2 Sanga and the land grabbing narrative

The land grabbing narrative represents the most widely recognized counter-narrative to the win-win narrative. How do NGR and the Sanga plantation fit into this narrative? According to the land grabbing narrative, maximum profit is the ultimate goal of companies investing in land in Africa. The fact that GR “aims to generate superior return for its shareholders” (GR, 2012b), seems to back up this claim.

Have poor, small-scale subsistence farmers been negatively affected by the land acquisition in Sanga? Some of my informants said yes to this question. The company has, as far as I have found in my research, not evicted any farmers from the territories that they have leased for the plantation. The company claims that they have compensated, or will compensate, farmers that voluntarily move out of the land they lease. There is, however, no compensation for farmers that have exhausted the soil and have to move because of that, but might want to come back to cultivate the plot they have already cleared when the soil is once again ready for cultivation. When this plot is left, GR is allowed to plant there immediately. At the same time, NGR claims that there are several “opportunists that they avoid”. Some of these so-called opportunists, who were also backed by several other informants from Malulu, claimed that they had the right to compensation based on NGR’s current compensation policy.

Generally, nothing in my findings indicates that the plantation has been devastating for local farmers. Niassa is still a sparsely populated province, and Sanga is a sparsely populated district where land is still abundant. But what the future might bring in this regard, with a rapid population growth combined with more areas covered by plantations, is still an open question. A matter of fact is anyway that several local farmers now have to walk further away from the village to cultivate their machambas. The access to firewood and medicinal plants has also worsened because of the plantation, in line with the land grabbing narrative.

GR has invested 3,3 million USD in the Sanga plantation, but gives only 7.000 USD to a community development fund in Malulu, and had not given anything to the villagers of Malica at the time of my visit. GR would not tell me exactly how much they pay for leasing land in Sanga, but there is no reason to expect that the government of Mozambique receive a substantial amount of money on leasing land to NGR with the extremely low land lease rates that I obtained from the Investment Promotion Centre in Mozambique. At the same time, my findings are in line with the land grabbing narrative in terms of low salaries and short-term or uncertain contracts, showing that NGR and Sanga plantation has created many of the same problems that Anseeuw et al. (2012) describe in their extensive report.

For GR as a whole, the number of jobs in the company has dropped sharply from 5,300 jobs in 2010 (which is the number GR still claims employ on its website) to about 4,000 jobs in early 2012, according to Asprem. If this trend continues, the future view for both the company and its employees is bleak. Notably, many of the jobs in GR are short-term, seasonal jobs that disappear when the initial phase of the project is done.

The Sanga plantation has, unlike several other large-scale land investments in Africa, not been canceled because of massive opposition from local communities. It was certainly not difficult to find critical voices in Malulu or Malica, but the type of massive, popular resistance that stops the company from being able to go forward with the project, has not been the case in Sanga. A likely reason for this is probably that people do not feel that the plantation threatens their livelihoods seriously.

David Harvey describes “accumulation by dispossession” as “the enclosure of public assets by private interests for profit, resulting in greater social inequity”. In the Sanga case, there is no doubt that land that was publicly held has now been leased to a private company, who has profit as its key goal. My data is, however, not sufficient to conclude whether this appropriation of land has resulted in greater social inequality, and because of this I will not conclude about whether the Sanga case represents a typical example of accumulation by dispossession.

8.3 Is Green Resources a land grabber?

The International Land Coalition has formulated five features that define land grabbing, which I also find to be appropriate definitions. According to ILC it is a land grabbing if a land acquisition has one or more of these features:

1. Is in violation of human rights, in particular the equal rights of women.
2. Is not based on Free, Prior and Informed Consent of the affected land users.
3. Is not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered.
4. Is not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing.
5. Is not based on effective democratic planning, independent oversight and meaningful participation. (Anseeuw et al., 2012)

Based on my findings, I can clearly say that *at least* two of these features describe GR's land acquisition in Sanga. The land acquisition is *not* based on transparent contracts that specify clear and binding commitments about activities and it is not based on effective democratic planning, independent oversight and meaningful participation employment and benefits sharing. I will explain why:

The local communities in Sanga would most likely appreciate a community development plan, and together with signed and agreed-upon and legally binding contracts on each specific development goal, it would be more difficult for the NGR not to follow up on their own promises, while the general level of satisfaction with NGR and would most certainly increase among people in Malulu and other local communities. This is, unfortunately, not the case, as the plantation in Sanga completely lacks binding contracts on community development and benefits sharing, and is thus, in line with point 4 in ILC's land grabbing definition.

For some of the same reasons – lack of information to villagers, lack of participation of most villagers in community meetings et cetera, my view is that NGR and MF have not conducted effective democratic planning, independent oversight and meaningful participation.

Regarding Free, Prior and Informed Consent, both Malonda Foundations Public Consultation Report (MF, 2007b) and several of my informants made clear that this was not the case during the land acquisition process in Sanga. Several of my informants made clear that they had never been invited to any consultation meetings, and the Public Consultation Report makes clear that it was up to local chiefs and secretaries to do this. In addition the report admits that villagers were not consulted during the process of indicating the areas for the plantation (MF, 2007b).

“We want the company to stay. We play a role as mediators with the farmers, and tell them about the importance of the investments.”

Chief Assam Nkawanganha, Head of the Management Committee in Malulu,

When it comes to Free, Prior and Informed Consent, it is important not to portray a local community as one single unit in terms of interests and power, something that the quote from Chief Assam Nkawanganha illustrates. Within local communities like Malulu and Malica, there is a range of different actors with different roles in the local community, and their interests do not necessarily match. Some elements within the local community might very well have interests that are more in line with the interest of an external company than others, and this tendency was, if not obvious, at least possible to see in Malulu and Malica. A general tendency was that the more powerful actors within the local community, including local chiefs and state employees generally shared more positive views on the impact of the plantation than many villagers without similar interests did. In Malica, this division was very clearly expressed by some of the younger informants, who felt that the more powerful elders in the village basically sold out other peoples land for their own benefit without getting their Free, Prior and Informed Consent. The judicial aspects of this is one thing, and no court in Mozambique would probably make a verdict in favour of the young villagers, but the subjective feeling of injustice and the outspoken rejection of both the policy of the company and the actions of the Management Committee, speaks for itself. Basically, the villagers accused the committee of pure corruption, and the committee member in place did not really deny this accusation.

When it comes to gendered effects of the plantation, there is no doubt that men are favoured as plantation workers, constituting more than two thirds of all GR employees. Many would argue that this is not in violation of human rights, but by employing mainly men below 40 years old, GR clearly has a policy of favouring young men for employment, and I would argue that NGR's labour policy in terms of gender and age of employees is not optimal. Apart from this, I did not go further into the field of gendered effects during my fieldwork.

Finally, GR violates several of Olivier De Schutter's principles, including the first principle; that the negotiations on land deals should be transparent and include local communities, as well as principles 2 (Free, Prior and Informed Consent), 7 (that investors have clear obligations and are held responsible and accountable through pre-negotiated contracts) and 8 (that there should be agreements to ensure that the acquisitions do not increase local food insecurity).

By employing ILC definitions and De Scutters principles to decide whether Green Resources is a land grabber or not, I can thus only get one answer: Yes, Green Resources is a land grabber.

9. Conclusion

The aim of this study has been to broadly assess the social and economic impact of the Sanga plantation in Malulu village, in Niassa, Mozambique, by using a case study design. I have sought to answer some key questions about how Niassa Green Resources and their plantation affect the villagers of Malulu socially and economically and how villagers have been involved in the land acquisition process prior to and during the establishment of the plantation.

To conclude, there is no doubt that the Sanga plantation has had both a social and economical effect for villagers in Malulu, and the second village I visited, Malica. Unfortunately, Green Resources follow on the footsteps of many other international investors in Africa: Minimum salaries, short-term and seasonal employment and even uncertain contracts is the norm for the 215 people that the company currently employ, while the thousands of villagers that are not hired by the company receive very few benefits from the plantation. The community development projects are very small, and according to my fieldwork usually also constantly postponed.

There are several unresolved compensation cases, where farmers claim that the company refuse to pay them the money they have the right to get, while the company claims that everybody who is entitled to get compensation have received or will receive it.

Several of my informants never heard about the community consultations that were held before land was acquired in Sanga, and many villagers expressed that the whole land acquisition process had been top-down and undemocratic.

Green Resources does, however, provide 215 families with a fairly regular income, which is highly welcomed by the families who receive it, and is by far the largest private employer in both Malulu and Malica, and the company has invested in some equipment for the local school and give its employees the opportunity to take primary education. The question is whether Green Resources will continue to provide work for 215 persons or more in the coming years, or whether even fewer will benefit from the plantation in the future.

Despite some positive local effects of the plantation, I have found that the land acquisition in Sanga is in violation of several of Olivier De Schutter's human rights based principles for large-scale land acquisitions, and that it also falls within the International Land Coalition's definition of land grabbing.

Finally, I highly recommend Green Resources to stick to their local development promises. Broken promises tears apart the confidence that local communities should have in the company. As Mads Asprem also mentioned, building a local market in Malica is a very inexpensive measure for Green Resources, and it is hard to understand how such a an easy promise to keep can be postponed again and again.

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Appendices

Appendix 1

List of interviews conducted

Interview 1. Malulu. Chief Assam Nkawanganha, leader of the Management Committee. 26.10.11

Interview 2. Malulu. Businessman. 26.10.11

Interview 3. Malulu. Chief Assam Nkawanganha, leader of the Malulu Management Committee. 28.10.11

Interview 4. Malulu. Maria Fatima Agostinho and Adelino Mohoro, members of the Malulu Management Committee. 28.10.11

Interview 5. Lichinga. Celia Enosse, working with the Swedish Cooperative Centre and former community outreach officer in Malonda Foundation. 31.10.11

Interview 6. Malulu. Ndala Omar, president in the District Consultative Council and Anna Assamu, secretary of the District Consultative Council in Sanga district. 01.11.11

Interview 7. Malulu. NGR plantation supervisor. 01.11.11

Interview 8. Malulu. NGR supervisor in the fire division. 01.11.11

Interview 9. Malulu. Four former NGR employees. 02.11.11

Interview 10. Malulu. NGR nursery employee. 02.11.11

Interview 11. Malulu. Project Officer in the Farmer's Union. 02.11.11

Interview 12. Malulu. Sauale Artur Piale, leader of the Trade Union for the NGR plantation workers. 04.11.11

Interview 13. Malulu. Gordinho Manuel Lourenco, technician in charge of the tree nursery in Sanga. 04.11.11

Interview 14. Malulu. Influential villager. 09.11.11

Interview 15. Lichinga. Gracindo Sayal, Plantation Manager in NGR. 09.11.11

Interview 16. Lichinga. Innocencio Sotomane, General Manager in NGR. 09.11.11

Interview 17. Malulu. Alberto Enoque, Director of Economic Services in Sanga district. 10.11.11

Interview 18. Malulu. Estela Julio Vilasse, Director of Health Services in Sanga District. 10.11.11

Interview 19. Malulu. Rosa Isabel Raul, Head of Police in Sanga District. 10.11.11

Interview 20. Malulu. Villager (27). 14.11.11

Interview 21. Malulu. Four farmers that were unhappy with GR's compensation policy. 14.11.11

Interview 22. Malulu. Businessman. 14.11.11

Interview 23. Malulu. Three villagers at the local market. 14.11.11

Interview 24. Lichinga. Dercio Carlos Massango, HR Manager in NGR. 14.11.11

Interview 25. Malulu. Four teachers at the primary school in Malulu. 15.11.11

Interview 26. Malulu. Four businesswomen. 15.11.11

Interview 27. Malica. Six villagers, including two members of the Malica Management Committee, one NGR employee and three other villagers. 16.11.11

Interview 28. Lichinga. Zefanias Mawawa, Community Development Assistant in NGR. 18.11.11

Interview 29. Malica. Eleven members of the Malica Management Committee. 18.11.11

Interview 30. Malulu. Influential villager. 19.11.11

Interview 31. Oslo. Mads Aspren, CEO and founder of GR. 24.02.12

61 persons were interviewed in total.

Appendix 2

Interview guides

Questions to villagers

What is your opinion about the Sanga plantation?

Has the plantation had a big impact on life in this village?

What kind of impact has the plantation had?

What is the general opinion among villagers about the plantation?

What is your personal opinion about the plantation?

What kind of positive impact has the plantation had?

What kind of negative impact has the plantation had?

Have local food production been affected, and in case: in what way?

Have local businesses been affected, and in case: in what way?

How do people here generally view the working conditions at the plantation?

How do you view the working conditions at the plantation?

Questions to GR representatives

Has the plantation had a big impact on life in Malulu?

What kind of impact has the plantation had?

What is the general opinion among villagers about the plantation?

What kind of challenges do you face when dealing and interacting with the local communities?

How do you think these challenges should be addressed?

What kind of forums do you use to communicate with the villagers?

Do you receive many complaints from the communities, and in case: what kind of complaints?

Do you follow a specific community development plan?

These are only some general questions that most of the informants were asked. In addition comes a wide range of questions formulated ad hoc for specific interviews.

Appendix 3

Shareholders in Green Resources AS, 31.12.2011

Phaunos Timber Fund:	29,2 %
New Africa Ltd	20,7 %
Steinerud AS	7,4 %
Storebrand ASA	6,9 %
Macama Investment AS	6,2 %
Verbena Ltd	6,2 %
TRG AS	4,0 %
Rybo AS	3,7 %
PP Wilhelmsen	2,7 %
Zurich Trust Ltd	1,7 %
Sub-total 10 largest	88,6 %
11-20 largest shareholders	6,7 %
21-80 shareholders	4,7 %
Total	100 %



