



# International forestry companies: problematic partners for local people

## Two European investors in Tanzania

### Context: Forestry investors promote long-term development partnerships with local communities

Forestry companies depend on local people's acceptance to protect their slow-growing produce without excessive costs for fire prevention - **"prevention is always cheaper than treatment"** (www.newforests.net)

Investors mainly promise the following benefits:

- jobs for local people
- infrastructure services



New village office in Pangani District, provided by the investor - case study A (photo: M. Locher 2011)

Investor A „aims to be the **preferred partner** for local communities“ for „developing and improving social and economic conditions [...] in rural areas.“ (www.greenresources.no)

Investor B is a “sustainable and socially responsible forestry company” that “believes in a **win-win investment model**” (www.newforests.net)

### Case Studies

- Case study A: Tanga Forests Ltd, subsidiary of Green Resources AS, Norway; 9,500 ha in Pangani district
- Case study B: New Forests Company, UK based; 6,000 ha in Kilolo district

Data based on qualitative interviews and focus group discussions held in 2011 with male and female villagers, company staff and government officials.

### Study results: Local people in weak positions in land-related decisions and negotiations for benefits



Job opportunities in the investor's tree nursery in Kilolo district - case study B (photo: M. Locher 2011)

### Politicians' dual role in land deals:

- questionable cooperation with investors
  - difficult for local people to deal with
- “These investors always come with district or regional leaders, they [...] put **pressure** on us. We are afraid to tell them that we cannot sell our land, because those leaders could do something bad to us.” (villager, case study B)

### Jobs offered, but with **poor working conditions**:

- hard work, low wages
  - accepted due to lack of alternatives
- “They [company's managers] know that even if they pay you low salary **you must work** on their plantation because that's the only way you can get money.” (villager, case study A)

### Conclusions

#### Investors do bring some development, but

- announced partnerships are based on **unequal power relations** due to local people's limited political power and restricted livelihood alternatives
- without external support **local people depend on goodwill** of their 'partners'

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