Research on World Agricultural Economy
https://journals.nasspublishing.com/index.php/rwae

ARTICLE

Foreign Direct Investment Inflows in Agriculture Sector and Poverty Reduction in Developing Countries: Evidence from Tanzania

Shakila Halifan Mteti

Department of History, Political Science and Development Studies, Mkwawa University College of Education, University of Dar es Salaam, Iringa 2513, Tanzania

ABSTRACT

Historically, foreign direct investments (FDIs) have been said to play a significant role in promoting local development in the recipient countries. This article explores the linkage between Tanzania's post-2006 agriculture transformation initiatives using the agro-based FDI approach to modernize and commercialize smallholder agriculture and reduce rural poverty. The study employs secondary data sources to address its central question. A scoping review was employed to systematically select sixteen (16) research articles published between 2004 and 2024 on agro-based FDI in Tanzania. The study mapped the investors' country of origin and strategic areas for agricultural investment in Tanzania. It was found that most of the agricultural sector's foreign direct investors come from Europe, Asia, Africa, and North America, and the study found no evidence of investors from Latin America. The study revealed that the number of foreign investors in the agricultural sector increased rapidly in the past decade following the global crises and the country's desire to transform its agricultural sector from subsistence to a more modernized, commercialized and highly productive sector. FDI in`flows in agriculture have helped transform agriculture and reduce poverty by integrating smallholder farmers into agricultural value chains as contract farmers/out-growers, creating wage labour opportunities in agro-industries, and technological spillover effects. The study highlights the importance of FDI in reducing poverty while drawing special attention to policymakers to carefully use FDI as an approach to development.

Keywords: Agro-Based Foreign Direct Investment; Agriculture Sector; Poverty Reduction; Developing Countries; Tanzania

*CORRESPONDING AUTHOR:
Shakila Halifan Mteti, Department of History, Political Science and Development Studies, Mkwawa University College of Education, University of Dar es Salaam, Iringa 2513, Tanzania; Email: Shakila.mteti@muce.ac.tz or smteti@gmail.com

ARTICLE INFO
Received: 25 February 2025 | Revised: 8 April 2025 | Accepted: 15 April 2025 | Published Online: 20 May 2025
DOI: https://doi.org/10.36956/rwae.v6i2.1778

CITATION
Mteti, S.H., 2025. Foreign Direct Investment Inflows in Agriculture Sector and Poverty Reduction in Developing Countries: Evidence from Tanzania. Research on World Agricultural Economy. 6(2): 568–585. DOI: https://doi.org/10.36956/rwae.v6i2.1778

1. Introduction

Poverty remains one of the leading global development challenges. The World Bank estimates that nearly 700 million people globally live in extreme poverty accounting for 8.5% of the entire global population [1]. Most of the poor people live in rural areas of developing countries and are mainly young and uneducated. For instance, in 2019, roughly 60% of the world's extremely poor resided in sub-Saharan Africa alone [2]. Besides, most of the rural poor are employed in small-scale subsistence farming, which is not sufficient to provide enough income and help them get out of poverty. Although the world, through the United Nations Agenda for Sustainable Development Goals (SDGs), intended to end poverty in all its forms by the year 2030, it is stated that the aim could not be achieved since the number of poor people started to increase rapidly in 2020 mainly due to the effects of the Covid pandemic, Russia-Ukraine crises, and other global challenges [3]. Failure to alleviate poverty also brings challenges in achieving other SDGs such as goal number 2, which aims to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture [4]. For example, in 2022 alone, between 690 and 783 million people worldwide faced hunger, most of whom reside in developing countries, particularly sub-Saharan Africa [3].

Foreign direct investment (FDI) is considered to be one of the viable strategies to reduce poverty in developing countries. This development approach has been highly emphasized since the 1980s with the implementation of the Structural Adjustment Programmes (SAPs). During this era, many countries were forced to reorient their economic systems from a state-controlled to a free-market economy [5]. As a result, many state-owned enterprises were privatized to private investors, most of whom were foreigners. The agriculture sector was not exceptional to these changes. In many African countries like Tanzania, there was a huge shift in the ownership of large-scale farms from the state to the private sector. Investors were also invited to capture land for investment as a mechanism to promote the country's development [6,7]. The renewed interest in agro-based investments by foreigners in Tanzania has also surged in the post-2008 global crises [8,9]. During this era, the government of Tanzania has rapidly promoted the private sector's involvement in agriculture as an approach to modernize and commercialize smallholder agriculture by making it more productive and competitive [10,11].

The government of Tanzania recognizes that the majority of its population is poor [12] and relies on small-scale subsistence farming as the main source of food and income [2,13]. Therefore, transforming this sector is crucial in reducing poverty, promoting rural development, and increasing the country's GDP [14]. Realizing this, in 2010, the government of Tanzania launched an agricultural transformation initiative called the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). SAGCOT came as a continuation of the Kilimo Kwanza (Agriculture First) initiative launched in 2009. Different from the previous agricultural transformation initiatives, which were state-centered, SAGCOT intends to employ agro-based FDI to transform the country's smallholder agriculture into a modernized, commercialized, highly productive, and competitive sector [10,15]. Transforming agriculture by attracting FDI is expected to boost the country's economic growth, reduce rural poverty, and enhance food security [15]. Based on the updated information from the World Bank, almost 50 percent of the population of Tanzania lives below the international poverty line of less than 1.9 USD per day. About 14 million people live below the national poverty line of Tanzanian Shilling (TZS) 49,320 or about 21 USD per adult equivalent per month [2]. In Tanzania, as it is in many other developing countries, poverty remains higher in rural areas than in urban areas. It is falling slowly "due to decreased labor demand and earnings in rural households from the ag-

ricultural sector" [16].

Poor performance in Tanzania's agriculture sector is a result of low government investment in this sector, which employs almost two-thirds of the country's population [17]. The government's withdrawal from providing agricultural subsidies in the 1980s [18] worsened the performance of agriculture, and the adoption of neoliberal policies in the agriculture sector, including privatization and attracting FDI, was inevitable [19]. Although agro-based FDI started to increase in Tanzania in the 1980s and 1990s, the number of investors remained very low for almost two decades after the reforms. The mass of agro-based FDI inflows has been observed since the mid and late 2000s and is associated with the global crises (food, energy, and financial crises and climate change) [20], and the government's deliberate efforts to transform agriculture and enhance economic growth by giving the private sector a leading role [9,10]. Agricultural transformation efforts started in 2006 when the government formulated the Agriculture Sector Development Programme (ASDP), which, among other things, aimed to "transform the agricultural sector (crops, livestock & fisheries) towards higher productivity, commercialization level and increase smallholder farmer income for improved livelihood and guarantee food and nutrition security" [21]. Against this background, this article intends to understand the contribution of agro-based FDI in reducing rural poverty in Tanzania—one of the highly targeted countries for FDI in Africa [20]. It does so by exploring the overview of FDI in the agricultural sector, identifying strategic areas for agricultural FDI, the investors' country of origin, and the investor's business model.

2. Literature Review

2.1. FDI Inflows and Economic Growth

The FDI inflow significantly enhances economic growth and reduces poverty in less developed countries [22]. Since the 1980s, FDI has become one of the political and economic development agendas of neoliberal policies [23], where "the liberalized rules, regulations and policies, as well as economic reforms such as state-owned enterprises privatization, propels commercial activities" [24], have become the dominant narrative in developing countries. FDI inflows in many developing countries rose sharply in the 1990s when many multinational corporations increasingly controlled global value chains by controlling both global production, investment, and trade in final and intermediate goods [25].

FDI inflows bring advantages to the host countries through capital inflows, macroeconomic benefits like growth in GDP, aggregate productivity, and exports, as well as microeconomic benefits such as positive externalities from spillovers, linkages, self-upgrading, and reallocation [25]. FDI inflows are, therefore, expected to boost the recipient country's economic growth mainly by technological transfer and spillover efficiency [26] and by increasing the export capabilities of the host country [27]. FDI inflows also play a great role in influencing employment and wages in a local market primarily through shifts in labor demand as well as by increasing competition in the labor market, which results in an increase in wages among the domestic skilled labor [28]. In Mexico, for example, FDI inflows contributed to more than half of the increase in the skilled labor wage share that occurred in the country in the late 1980s [29].

Empirical evidence suggests the surge in FDI inflows in many developing countries in the late 1980s and 1990s has contributed to the growth of many low-income countries. Following the implementation of the open-door policy in the late 1970s [26], China became one of the world's largest recipients of FDI in the late 1980s and 1990s [23]. FDI inflows started surging in the tourism sector and manufacturing and later spread to other sectors, including agriculture. FDI inflows were (and are still) high in Special Economic Zones (SEZs) and coastal areas (mainly eastern areas of China) compared to other areas like middle and western China [30]. Much of the initial foreign investments were from people of Chinese origin who live abroad. In 1999, 340,000 registered foreign enterprises were approved by the Chinese government [31]. The number surged to

434,937 in 2008 [30], and it is projected that FDI inflows into China have rapidly increased post-2008 due to China's rapid economic prosperity. The FDI inflows into China have significantly contributed to China's economic miracle in the past four decades, raising capital formation, increasing industrial output, generating employment, and adding tax revenue. By the end of 1998, for example, almost 18 million Chinese were employed in foreign-invested enterprises [23]. They have also contributed to the spillover effects on the productivity of China's domestic and export firms [32].

In Latin America, FDI inflows have also been reported to contribute positively to economic growth. A panel data analysis for a sample of 18 Latin American countries from 1970 to 1999 shows that FDI inflows increased the economic growth of the host Latin American countries [33]. The study further noted that adequate human capital, economic stability, and liberalized markets are key to long-term capital flows and contribute more to the recipient country's economic prosperity. On the contrary, the most recent empirical evidence from the study by Alvarado, Iñiguez and Ponce [34] shows that FDI in Latin America contributes only to the economic development of high-income countries. Their study suggests that FDI inflows are not an adequate mechanism to accelerate economic growth in the lower-middle-income countries of Latin America. The mixed results on the effects of the inflow of FDI and economic growth of the host countries imply that the presence and proper functioning of certain characteristics of the host country are key determinants for FDI to contribute positively to economic growth [24].

Elsewhere in sub-Saharan Africa (hereafter SSA), FDI inflows have been reported to significantly contribute to the region's economic growth [35]. However, compared to other developing regions, SSA is still lagging in terms of hosting and performance in FDI [36]. Factors like economic instability, the lack of infrastructure, limited human capital, high tariff barriers, burdensome tax regimes, and the over-regulation of markets are cited as the limiting causes for Africa to lag behind other countries in hosting FDI [37]. A survey from 45 African countries that relied on annual panel data from 1980 to 2016 shows that FDI is associated with higher economic growth in some SSA countries [24]. FDI inflows in this region increased drastically in 2009, accounting for 5.3 percent of the global FDI inflows. However, in 2017, FDI inflows in SSA decreased to 2.9 percent [24]. Country-specific evidence from African countries also reveals the significant contribution of FDI inflows to economic growth and poverty reduction. In South Africa, for example, a 35-year survey on the FDI inflows in the country found that FDI has a positive relationship with the country's economic growth shares. Similar findings were obtained in other African countries like Tanzania [38] and Ghana [39].

2.2. FDI Inflows in the Agriculture Sector and Local Community's Development

Agriculture employs most people in developing countries, particularly the rural population [40]. Yet, most of the world's poor people come from this sector. Moreover, poverty among those who engage in smallholder farming is linked with the poor performance of agriculture and the lack of smallholders' participation in the market. As Minot and Sawyer [41] highlight, smallholder farmers in developing countries first suffer from the lack of information on production methods and market opportunities, especially for novel crops and varieties. In this aspect, most smallholder farmers are unfamiliar with new high-value crops that are highly marketable on a global scale. The majority of them are only familiar with the subsistence or widely grown cash crops, which have less global market demand or whose market is fluctuating. Secondly, smallholder farmers in developing countries not only lack the necessary financial reserves to invest in new crops but are also short of collateral, which limits their access to credits mainly from formal financial institutions. Smallholder farmers are constrained from making profitable investments, particularly in high inputs and marketable crops. Thirdly, the smallholder farmers operating under or near subsistence are understandably risk-averse as they first produce to ensure the minimum food sup-

ply for themselves before they produce cash crops for the market. Subsistence-based agricultural production limits smallholder farmers from generating income from high-value cash crops with high domestic and external markets. Undoubtedly, the above-highlighted constraints, combined with other challenges like climate variability [42], limit the growth and prosperity in agrarian societies of developing countries.

FDI inflows in the agriculture sector are considered a profound tool for developing countries to boost the growth of the agricultural sector and the country's economy and reduce rural poverty. Many developing countries, particularly SSA, adopted neoliberal policies in the 1980s, which, among other things, attracted FDI inflows into the agriculture sector. During this time, African agriculture was under a serious crisis, and the state's ability to subsidize this sector was limited due to the economic crisis. Privatization of state-owned farms became one of the political agendas of the 1980s and 1990s, and different approaches to ensure that local communities in the host countries benefitted from these investments were put in place. Apart from creating job opportunities in agro-industries, FDI inflows in the agriculture sector also provided opportunities for integrating smallholder farmers into the global value chain through contract farming or out-grower schemes [43]. Outgrowing schemes help commercialize smallholder farming and help smallholder farmers easily acquire input and extension services in the form of credits payable during the harvest season. The schemes also benefit from technological spillover effects from large-scale farmers and hence help transform smallholder agriculture in developing countries.

There was a surge in the inflow of FDI in the agriculture sector in the global South in the mid and late 2000s [44]. The convergence of the global crises—food crisis, financial crisis, energy crisis, and climate change—is cited as the key factor for the surging of investment in agriculture in the global South in the late 2000s [45,46]. While some researchers, policymakers, and other development practitioners consider the surging inflow of FDI in agriculture as an opportunity for the host countries to boost economic growth, improve agriculture, and reduce rural poverty [47], others consider it a threat since large-scale agro-investments in the global South exacerbate land grabbing and displace local communities from their ancestral lands [48].

While some empirical evidence from developing countries shows a significant contribution of FDI inflows in the agriculture sector to the country's economic growth, some reject this assumption. In Ghana, for example, the study conducted by Awunyo-Vitor and Sackey [39] shows that the inflow of FDI into the agriculture sector significantly influences Ghana's economic growth. On the contrary, the study in Tanzania found no significant effect of FDI inflows on the agriculture value added-to-GDP ratio in Tanzania, even though the overall inflow of FDI in the economy has been noteworthy in the past few decades. Interestingly, the same study found that "FDI inflows-to-GDP ratio and real GDP growth rate are positively correlated" [7]. However, the study did not explore the effects of the inflows of agro-based FDI on rural welfare.

2.3. Critical View on FDI Dependency

Despite the potential significance of FDI in agriculture as highlighted by Neo-Institutional Economics scholars, critical agrarian scholars argue that FDI inflow in the agriculture sector can be associated with some negative consequences, particularly in the recipient countries. First, FDI in the agriculture sector mainly takes land formerly used by indigenous smallholder farmers [49] and leads to involuntary resettlement [11]. The concept of land grabbing is widely used by critical agrarian scholars to describe the process of taking land from local people for large-scale foreign investment [50,51]. Even when these investments fail to bring the intended returns and investors abandon the land, local people are still limited in accessing and using the abandoned land [52]. In SSA, for example, 50 percent of all land under FDIs is located on land formerly used by smallholder farmers [44]. In Tanzania, as reported by Land Matrix, more than seven FDI agro-based investments fall on the land formerly used by the local smallholder farmers [44]. Appropriation of land and

displacement of the indigenous local people for foreign agricultural investment exacerbates the incidence of poverty instead of reducing it.

Secondly, FDI in agriculture might work as a mechanism for land concentration for the minority (foreign investors, rich farmers, and urban and political elites), resulting in a landless population whose main survival mechanism is none other than on the land. With the rapidly increasing population and shrinking size of land for agriculture resulting from FDI in agriculture, leasing land for a period ranging from 33 to 99 years can generate pressure for land shortly. The generations to come, particularly women, youth, and children, will suffer the consequences of land transfer [53]. Land concentration is also a source of land-use conflicts, particularly between farmers and herders.

Thirdly, the hope that large-scale foreign investors will employ the local people cannot be generalized [54] as the investor might opt to invest in highly mechanized farming technology, which requires low labor demand, especially skilled laborers who cannot be found in local communities [49], or rather can opt to hire laborers from the outside community due to "the myth of the lazy natives" [55].

Besides, excessive FDI in agriculture has been reported to accelerate ecological degradation through excessive use of synthetic inputs such as chemical fertilizers, pesticides and herbicides [9]. The political ecology approach is crucial for comprehending the impact of foreign direct investment in agriculture and rural areas on the environment. The extensive application of agrochemicals in large-scale foreign agricultural investments, coupled with the frequently insufficiently articulated issue of 'pesticide misuse,' adversely impacts the ecology. The extensive use of synthetic inputs increases ammonia levels in the soil, leading to adverse impacts, especially the inhibition of natural soil fertility [56]. The depletion of available resources, disconnection from the local ecosystem, and the unsustainability of the broader agricultural environment are potential consequences [57]. The proliferation of capitalist agriculture in rural areas has significant adverse ecological consequences.

The sugarcane out-growers system in Tanzania is related to numerous ecological concerns. Martiniello Martiniello [56] elucidates the ecological ramifications, asserting that sugarcane cultivation significantly exacerbates climate change owing to the sugar industry's substantial water and energy demands. Moreover, sugar manufacturing necessitates substantial quantities of water for irrigation and sucrose extraction. Intensive sugar production in Kilombero Valley has led to a decline in the water level of the Great Ruaha River, from which the corporation extracts water, endangering the agricultural lives of residents. Furthermore, the sugar agro-industry produces air pollution mostly due to pre-harvest burning and effluents from sugar mills, which contribute to elevated concentrations of carbon monoxide and ozone in the environment. Combustion has been identified as a significant factor contributing to the reduction of microbial activity in the soil and the degradation of its physical and chemical characteristics, which partially elucidates the consistently low sucrose levels in outgrowers' cane [56].

A recent study on sugarcane cultivation initiatives in Tanzania and Uganda indicates that extensive sugarcane operations are based on significant deforestation. Implementing these commercialization activities necessitates the enclosure of land, the homogenization of production, and the standardization of monocropping, resulting in significant biodiversity loss. Deforestation is also propelled by out-growers, who, facing many pressures, allocate increasing amounts of their land to sugarcane cultivation, therefore eliminating undesirable tree species. Environmental issues in the tobacco sub-sector have been extensively documented in Tanzania. Large-scale tobacco farming has been linked to soil quality degradation. Moreover, tobacco cultivation is linked to extensive deforestation due to the significant land area cleared for its production. The demand for fuelwood to cure tobacco expedites deforestation, adversely affecting natural ecosystems [58].

3. Materials and Methods

I undertake a scoping review to explore the impact

of agricultural sector FDI in transforming agriculture and reducing rural poverty in Tanzania. The study addresses its question by reviewing relevant literature on agro-based FDI inflows and their impacts on the indigenous host communities. After selecting the research question, we identified keywords that helped us find relevant literature related to the study. The important keywords used to search relevant literature include "foreign direct investment", "large-scale agricultural investments", "contract farming", "rural welfare", "poverty reduction", and "Tanzania". I also included keywords mainly used in agrarian political economy, like "land grabbing" and "large-scale land acquisitions". These two keywords are beneficial in understanding agro-based FDI in the Global South.

Search engines, including Google Scholar, ScienceDirect, and Web of Science, obtained relevant literature. I developed inclusion and exclusion criteria to make it more accurate and relevant (**Table 1**). These criteria include language, where literature published in a language other than English was excluded; date of publication, where we only included articles published between 2006 and 2024; industry, where articles related to agro-based FDI were included; geographical location, where only articles related to Tanzania were included for review; relevance to the review question; type of publication, where we included peer-reviewed articles and research methods as described in Table 1 below. Articles were first selected based on relevance by reading titles, abstracts, and full papers. Articles that met the first and second criteria (relevance based on title and abstracts) were then read and analyzed to answer the research question. I finally selected 16 articles for review based on their relevance.

Table 1. Procedures for inclusion and exclusion criteria and rationales.

Criteria	Decision	Rationale
Language	English	The author is fluent in this language
Date of publication	2006–2024	The surge in agro-based FDIs in Tanzania has been reported since the mid and late 2000s
Industry	Agriculture	Agriculture is a mainstay of more than two-thirds of the population. Linking it with the FDI could help bring significant changes.
Geographical location	Tanzania	The study focuses on Tanzania, though insights from studies in other countries are also welcomed.
Relevance to the review question	Should be relevant	Articles on FDI linkage with agriculture and rural welfare were considered
Types of publications	Journal articles	Peer-reviewed articles are mainly used since they provide more empirical evidence.
Research methods	Both qualitative and quantitative studies	Qualitative and quantitative studies could provide rich and detailed information on the phenomena under study.

4. Results and Analysis

This section describes the results of the 16 reviewed articles based on the year of publication, purpose, methodology, and main results. Based on the years of publication (**Figure 1**), the study revealed that 2 articles (12.5%) were published between 2005 and 2009. Within 2009 and 2014, there was no single article published on the nexus between FDI in agriculture and poverty reduction. 2015 to 2019 and 2020 to 2024 recorded similar results where each category had 7 published articles (43.75%). The study implies that most of the articles on agro-based FDIs were published between 2015 and 2024.

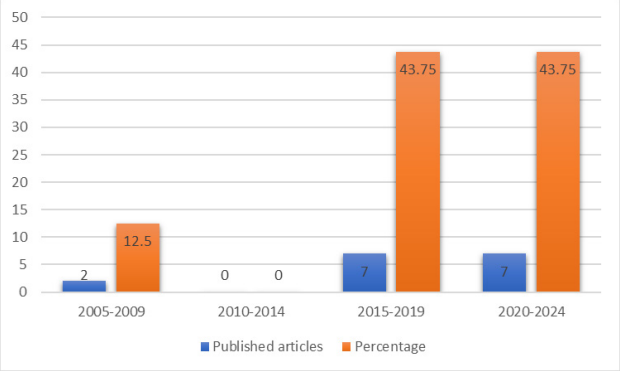

Figure 1. Distribution of the reviewed articles based on the year of publication.

Regarding the methodology, the reviewed studies employed both qualitative, quantitative, and mixed methods (**Figure 2**). The analysis found that out of 16 reviewed articles, 9 articles (56%) employed a quantitative approach, 6 articles (38%) employed a qualitative approach and 1 article (6%) employed a mixed methods approach. The findings highlight the importance of applying quantitative methods in studying issues related to the nexus between FDI inflow in the agriculture sector and its contribution to poverty reduction.

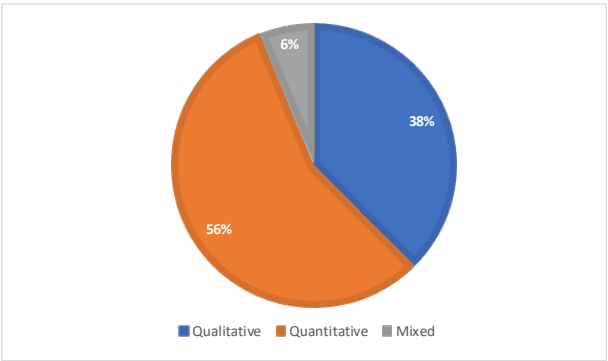

Figure 2. Distribution of the reviewed articles based on the methods.

It was also essential to analyze the reviewed articles based on the results. Out of the 16 reviewed articles, 10 articles (62.5%) suggested that FDIs positively improve rural livelihoods and hence help to reduce rural poverty. Besides, 1 article (6.25%) reported mixed findings while the remaining 5 articles (31.25%) reported negative impacts of FDI inflow in the agriculture sector on poverty reduction.

5. Discussion

5.1. FDI Inflows into the Agriculture Sector in Tanzania

Tanzania is among the top ten least developed countries receiving high FDI [59]. It is also ranked as one of the highly targeted countries in the post-2006 global land rush, which resulted in large-scale land acquisitions in many countries of the global South [9,20]. The country intends to promote FDI inflows into the agriculture sector to boost its economic growth and achieve its long-term vision of becoming a semi-industrialized country by 2025. The government wants to transform this sector because more than 80 percent of the Tanzanians rely upon this sector for their survival. From 2015 to 2017, for example, the inflow of FDI to the agriculture sector increased from 359.1, 387.8 to 501.4 USD million, respectively. The inflow also contributed to a 31.2 annual dividend in 2017 and was ranked as one of the top 5 sectors contributing to high employment [60].

Though FDI in the agriculture sector started during the early independence days in the 1960s, its surge appeared in the post-1980s and 1990s following the adoption of neoliberal policies [7,61]. It should be noted that a few years after independence, Tanzania adopted socialist policies, which, among other things, nationalized all the major means of production, including land for agricultural investments that were strictly controlled by the state, and thus FDI was discouraged [61]. The structural adjustment programs (SAPs) forced Tanzania to change its investment policies from state-based to laissez-faire. Under liberal policies, the privatization of state-owned firms and attracting FDI became central [62]. The change of policies resulted in the re-privatization of the formerly nationalized plantations, including tea and sugarcane plantations. FDI inflows in agriculture also surged in the mid and late 2000s following the global crises of food, energy, financial crisis, and climate change, as in the case of other parts of de-

veloping countries [63]. During this time, many investors from the global North have targeted Tanzania as one of the countries conducive to agricultural investment. The state promoted the inflow of FDI in the agricultural sector following its agricultural transformation initiative called Kilimo Kwanza (Agriculture First) in 2009, which was proceded by the SAGCOT in 2010 and Big Results Now (BRN) in 2013. The overall objective of all these initiatives was to transform agriculture by giving the private sector a leading role and promoting partnerships between public and private entities for sustainable agricultural transformation [10,64].

The government of Tanzania allows investors to buy or lease land for 33, 66, or 99 years. The majority of foreign investors prefer the latter. Information from the Land Matrix shows that a total of 266,820 ha is under contract by foreign investors, equalling 0.67% of the total arable land in Tanzania. The total ha might increase as many investors continue negotiating for land leases—be it public village land or reserved lands. Generally, investors have obtained only 57.84 percent of the intended land size as they encountered resistance from the indigenous local communities and limited land size in the intended investment areas.

Though the Tanzania Investment Centre (TIC) promotes investments in Tanzania, there is no clear and complete information on the number and status of agricultural foreign investments on its official website. However, Locher and Sulle [65] list 39 large-scale agricultural investments by foreign investors and joint ventures by Tanzanians and foreigners. The basic information highlighted by Locher and Sulle includes the investor's name, country of origin, investment intention and type of crops grown, acquired land size, location of the investment, land status before the investment, and business model. Besides that, the Land Matrix lists 52 foreign land deals in Tanzania and adds about 14 domestic land deals. Of the 52 foreign land deals identified in Land Matrix, 34 are concluded either in a written form or orally. As we have said earlier, many agro-based land investments have increased from the mid and late 2000s due to global crises. More importantly, agro-based FDI surged between 2011 and 2013 (**Figure 3**) following the implementation of the SAGCOT and BRN initiatives, which aimed to attract foreign direct investors for large-scale agricultural investment.

Figure 3. Inflows of agro-based FDI in Tanzania from 2000 to 2015.

Source: Land Matrix [66]; Locher and Sulle [67].

5.2. Mapping of the Large-Scale Agro-Based FDI and Investors' Country of Origin

Data from the Land Matrix [66] and Locher and Sulle [65] show Tanzania has more than 30 concluded land deals related to agricultural foreign direct investment. Most of the investments were initiated in the mid and late 2000s during the global land rush due to the post-2006 global crises—financial, food, feed, and energy

crises, climate change, and rapid population increase [51]. Most large-scale agro-investments (**Figure 4**) are in the government's designed agricultural growth-led SAGCOT corridor. SAGCOT implementation covers almost one-third of the total land of Mainland Tanzania [68]. The area has suitable local climatic conditions and arable soil, which allows for the growth of various crops and animals, such as beef, poultry, and dairy [69]. Besides that, the area has a reliable transport system that can facilitate the movement of goods and services from one place to another. SAGCOT is also known as the TAZARA corridor since it runs "where Tanzania–Zambia railway line (TAZARA), originally built by China in the 1970s, links Dar es Salaam and the Zambian Copper Belt, and where the parallel Tanzania–Zambia highway (TANZAM) and the TANESCO electricity grid run" [69].

Figure 4. Location of the large-scale agro-based FDI in Tanzania.

Source: Land Matrix [66] (See the link for more details: https://landmatrix.org/documents/27/LM_Country_Profile_Tanzania.pdf).

Based on the investor's place of origin, most foreign agro-investors in Tanzania originate from European countries such as the United Kingdom, Netherlands, Finland, Switzerland, Norway, and Belgium, followed by Asian countries like India, Singapore, South Korea, and China. A few agro-based FDIs originated in African countries, including South Africa, Kenya, and Mauritius. A few agro-based FDIs originate from North America, and none of the FDIs originate from Latin America. Some investments are joint ventures between foreign

investors with the government of Tanzania or ordinary citizens from Tanzania. It is striking to see emerging southern powers like India, China, and South Africa, as well as SSA countries like Kenya and Mauritius, gaining interest in land investment in Tanzania. This breaks down the traditional investment discourse that sees Western countries as the only investors in the global South.

5.3. Investors' Business Model

Investors' business model is an important aspect that determines the mechanisms by which local people will benefit from the investment. Three business models are widely used in agro-based FDI in Tanzania. The first one is plantation or estate production. This is a centralized production system in which the investor establishes a plantation and grows all the crops he needs. This model is widely criticized due to its exclusive nature—it excludes the majority of the people from the indigenous local community from benefiting from it since very few people can be hired as wage laborers in the firms [70]. Also, investors might opt for high-tech machines instead of employing local wage laborers. The second model is contract farming or out-grower schemes—a production system in which the firm incorporates the local smallholder farmers by giving them access to produce crops and sell them to the firms at fair prices. The third business model is a hybrid business model that combines the estate and outgrower schemes. Under the SAGCOT implementation, for example, the government of Tanzania encourages the investors to integrate the smallholder farmers through out-grower schemes or contract farming that enables them to improve agricultural productivity due to access to input credits, extension services and agricultural technologies [15]. Information from many investors' websites and reports shows the majority intended to use a hybrid business model. The importance of the hybrid business model is that it can help the landless rural poor get access to wage labor on the plantation while allowing the land-rich farmers to engage in the out-grower schemes and hence improve their welfare.

5.4. Agro-Based FDI Inflows and Rural Poverty Reduction Nexus

The main reason for the government of Tanzania to attract FDI inflows into the agriculture sector is to modernize and commercialize smallholder farming and make the agriculture sector an engine of economic growth, reducing poverty and achieving food security [10]. The government believes that smallholder farmers live in vicious circles of poverty due to a lack of access to the market, input credits, agricultural technology, and agricultural extension services, and that attracting FDI will help to link smallholder farmers to global value chains [15]. FDI inflows into the agricultural sector also help to generate direct and indirect employment in agro-industries, farms, and off-farm employment. Empirical studies carried out in Tanzania show that FDI inflows into agriculture create opportunities for rural wage labor, whereby, through foreign investments, many local people are employed as agro-industry workers [47]. The policy guideline for FDI in Tanzania requires investors to hire a certain number of local people as a mechanism for reducing poverty and improving local people's welfare. However, the employment effects of large-scale agricultural investments depend on the kind of crop and the former land use. Labor-intensive crops like oil palm generate more employment opportunities than capital-intensive crops [49]. Foreign direct agricultural investments in Tanzania offer opportunities for both permanent wage labor and daily casual laborers, which mainly help land-poor peasants generate income and improve their welfare. Earnings for agro-industry workers differ based on the kind of crop the firm produces. For instance, in the Kilombero River basin, wage laborers working in the sugarcane agro-industry are reported to earn a higher income than those working in the rice agro-industry [47].

In Tanzania, FDI in agriculture was also reported to positively contribute to poverty reduction by enhancing local people's ability to grow high-value crops and production skills. This helps to increase agricultural productivity and hence reduce poverty. An empirical study carried out around areas with large-scale foreign

agricultural investments in Tanzania revealed that households near the investments exhibit 20.2% (95% CI: 3.1%–37.3%) higher agricultural productivity, primarily due to increased crop prices and farmer selection of high-value crops [71].

Contract farming is another opportunity associated with FDI inflows in the agriculture sector and poverty reduction. Under the SAGCOT initiative, for example, the government of Tanzania aims to commercialize smallholder farmers mainly by linking them with agribusinesses. Contract farming or an inclusive business model has been given key priority in the agricultural sector FDI in Tanzania. It is hoped to help transform smallholder farming, which accounts for almost two-thirds of the country's population. Empirical evidence from single or multiple cases of contract farming shows that contract farming produces significant positive impacts in reducing rural poverty in Tanzania, particularly for those engaging in growing high-value crops compared to food crops [47,49]. One of the empirical studies in Tanzania revealed that the presence of contract farming explains 18.1% (95% CI: 0.56%, 47%) of the effect size on agricultural productivity [71]. Increased productivity translates to increased income and hence reduces poverty. Under this business model, smallholder farmers are assured of access to market opportunities, input credits, extension services [72,73], and agricultural technology through spillover effects [74]. All these efforts increase agricultural productivity and hence help to reduce poverty. Contract farming produces a higher income return for smallholder farmers than wage labor in the agro-industry in Tanzania [47]. The net employment creation of contract farming in Tanzania, as identified by Nolte and Ostermeier [49], was 16 percent. Access to employment helps farmers to earn income and hence reduce poverty.

In the Kilombero Sugar Company Limited (KSCL), one of the strategic areas for FDI in Tanzania, many rural people have been engaged as agro-industrial laborers or sugarcane outgrower farmers. Based on the information from the KSCL website, the company relies on 45 percent of its total production from out-grower farmers. Isager, Fold and Nsindagi [72] report that the company has employed more than 8,000 contract farmers, of which more than 80 percent are small out-grower farmers and the rest are medium and large-scale out-growers. Contract farming schemes in this area provide income, enabling smallholder farmers to diversify their economies by combining production with wage labor and petty trade, thereby reducing poverty [73]. While some land-rich farmers benefit from contract farming schemes by accumulating more wealth and reinvesting in petty businesses [9,75], landless farmers or land-poor peasants enjoy opportunities for wage labor in either agro-industries or contracted farms to escape extreme poverty [47]. Within contract farming, farmers, particularly those with limited family labor, prefer to grow less labor-intensive crops. Among the outgrowers (contract farmers), for example, those who engage in sugarcane growing earn a higher income than those in rice farming. Isager, Fold and Nsindagi [72] also found that most smallholder farmers prefer the sugarcane out-grower scheme in the Kilombero Valley since it is less labor-intensive than rice farming.

Moreover, FDI inflows in the agricultural sector help reduce rural poverty and promote overall societal development through corporate social responsibility (CSR). In Tanzania, large-scale agricultural investments also significantly support local charitable initiatives in the health and education sectors by constructing buildings and providing other necessary support [73]. These social infrastructures constructed as part of the projects' corporate social responsibility (CSR) for the local communities help to create a mutual relationship between the investor and local communities by 'giving back' to the community a certain amount of benefits generated from the investments [76]. CSR applies to almost all large-scale land-based investments, including mining activities. Finally, through indirect or multiplier effects, FDI inflows into the agriculture sector help to alleviate poverty by creating linkages with other sectors. Backward and forward linkages might also lead to new job opportunities and hence improve the welfare of the local people [49].

6. Conclusions and Policy Implications

This paper described the link between FDI in agriculture and poverty reduction in Tanzania. Reducing poverty in developing countries is a national agenda and an important UN agenda aimed at achieving the 2030 Sustainable Development Goals. Since the majority of poor people in Tanzania, as in many other developing countries, live in rural areas with small-scale subsistence agriculture being their primary source of food and income, promoting the modernization and commercialization of smallholder farming remains one of the government's central objectives in reducing rural poverty and promoting the overall economic growth of the country. However, the ability of the government of Tanzania to finance agriculture and enhance the market for smallholder agriculture is highly constrained by the country's economic base, and FDI inflow into this sector is considered to be a profound tool to transform it from subsistence-based to a more commercialized system, which in turn will lead to rapid rural poverty reduction.

The study mapped the investors' country of origin and strategic areas for agricultural investment in Tanzania. It was found that most of the agricultural sector's foreign direct investors come from Europe, Asia, Africa, and North America. The study found no evidence of investors from Latin America. The analysis also shows the important role of the newly emerging economies from the Global South (South Africa, India, and China) in Tanzania's agricultural investments. The investors consider the SAGCOT area to be a strategic area for investment. The government of Tanzania has set aside the area to promote Public-Private Partnerships (PPPs) in the overall process of transforming the agriculture sector. Most of the reviewed studies confirm the linkage between FDI inflows in the agriculture sector, poverty reduction, and the improvement of rural welfare. Households adjacent to the investments were reported to increase productivity and be able to grow high-value crops that are sold for high prices, thereby helping to increase income and reduce poverty. FDI inflow in the agriculture sector serves as a mechanism to modernize and commercialize small-scale agriculture by linking smallholder farmers to agribusiness as contracted farmers. Through contract farming, smallholder farmers access extension services and agricultural inputs like agrochemicals and fertilizers, which are important in modernizing traditional subsistence agriculture. More importantly, smallholder farmers access market opportunities to enjoy higher prices for their produce.

Large-scale agro-investments also help in the overall process of technological spillover, where local farmers can easily adapt new crop varieties and farming skills and hence improve their production activities. Besides that, agriculture's FDI also helps generate wage employment within and outside the agriculture sector. Apart from those employed as contracted farmers, firms employ local people in different operations, including farm preparation, planting, harvesting, and post-harvesting activities. These help local communities generate income, reduce poverty, and improve local people's livelihoods. However, the generation of direct employment in large-scale agro-investments largely depends on the nature of crops (whether or not a crop is labor-intensive), the former land use (whether or not the smallholder farmers used the land), and the kind of technology the investor opts to use in production.

The study suggests that, if well implemented, FDI inflow in the agriculture sector could serve as a viable tool to transform agriculture and reduce rural poverty. It is therefore imperative for the government to attract FDI in agriculture that promotes the overall improvement of the surrounding local communities by linking local communities with the investors to enhance technological spillover and ensure market access. Moreover, mechanisms should be set to ensure that the investor employs most laborers from the surrounding community, prioritizing marginalized groups like women and youth. The study highlights the need for strong institutional mechanisms to ensure that FDI inflows in the agriculture sector produce the intended outcomes. Failure to establish strong institutional mechanisms will cause FDI to result in severe negative impacts such as increased land grabbing and land transfers, loss of

employment, and extreme poverty. Finally, since this is a review article and it simply employed a limited sample size, particularly in the context of Tanzania, future studies should focus on examining and analyzing the impact of FDI inflow in the agriculture sector in sub-Saharan Africa. In this case, a study that employs quantitative methods to analyze the large set of data on the impact of FDI inflows in agriculture on poverty reduction is highly recommended to obtain results that could be generalized.

Funding

The author declares that she did not receive any funding for this research.

Institutional Review Board Statement

Not applicable.

Informed Consent Statement

Not applicable.

Data Availability Statement

Not applicable.

Conflicts of Interest

The authors declare no conflict of interest.

References

[1] World Bank, 2024. Pathways out of the Polycrisis: Poverty, Prosperity and Planet Report 2024. World Bank: Washington, DC, USA. Available from: https://www.worldbank.org/en/publication/poverty-prosperity-and-planet (cited 22 December 2024).

[2] World Bank, 2019. Tanzania Mainland Poverty Assessment: Structural Transformation and Firms Performance Washington, DC: World Bank. Available from: https://documents1.worldbank.org/curated/en/248011585112089248/pdf/Part-2-Structural-Transformation-and-Firms-Performance.pdf. 207/12/2024

[3] FAO, IFAD, UNICEF, et al., 2023. The State of Food Security and Nutrition in the World 2023, Urbanization, Agrifood Systems Transformation and Healthy Diets across the Rural–Urban Continuum. FAO: Rome, Italy. Available from: https://www.fao.org/3/cc3017en/cc3017en.pdf

[4] FAO, IFAD, UNICEF, et al., 2022. The State of Food Security and Nutrition in the World 2022. Repurposing Food and Agricultural Policies to Make Healthy Diets More Affordable. FAO: Rome, Italy. DOI: https://doi.org/10.4060/cc0639en

[5] World Bank, 1981. Accelerated Development in Sub-Saharan Africa: An Agenda for Action. Washington, DC: World Bank. Available from: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/702471468768312009/accelerated-development-in-sub-saharan-africa-an-agenda-for-action 20/12/2024

[6] Msuya, E., 2007. The impact of foreign direct investment on agricultural productivity and poverty reduction in Tanzania. MPRA paper 3671, 27.12.2024. Available from: http://mpra.ub.uni-muenchen.de/3671

[7] Epaphra, M., Mwakalasya, A.H., 2017. Analysis of foreign direct investment, agricultural sector and economic growth in Tanzania. Modern Economy. 08(01), 111–140. DOI: https://doi.org/10.4236/me.2017.81008

[8] World Bank, 2007. Agriculture for Development 2008: Agriculture for Development. Washington, DC: World Bank. DOI: https://doi.org/10.1596/978-0-8213-7233-3

[9] Ndimbo, G.K., Haulle, E., 2024. Large-scale agricultural investments and contract farming in Tanzania: A systematic review on the livelihoods, food security and ecological implications. Journal of Agriculture and Food Research. 18(November), 101514. DOI: https://doi.org/10.1016/j.jafr.2024.101514

[10] URT, 2013. National Agriculture Policy.

[11] Chung, Y.B., 2017. Engendering the new enclosures: Development, involuntary resettlement and the struggles for social reproduction in coastal Tanzania. Development and Change. 48(1), 98–120. DOI: https://doi.org/10.1111/dech.12288

[12] Haulle, E., Nchimbi, C.S., Ndimbo, G.K., 2024. Engendering rural tourism as a viable strategy for poverty alleviation and rural development in the southern tourist circuit of Tanza-

nia. SAGE Open. 10, 1–17. DOI: https://doi.org/10.1177/21582440241285496
[13] Ndimbo, G.K., Yu, L., Ndi Buma, A.A., 2023. ICTs, smallholder agriculture and farmers' livelihood improvement in developing countries: Evidence from Tanzania. Information Development. 0(0), 1–20. DOI: https://doi.org/10.1177/02666669231165272
[14] Ndimbo, G.K., Gu, J., Haulle, E., et al., 2024. Why mobile phone matters: The role of ICT in promoting farmers' access to agricultural information and extension services in a tea outgrowing scheme in Tanzania. Information Development. 0(0), 1–20. DOI: https://doi.org/10.1177/02666669241284235
[15] SAGCOT, 2011. Southern Agricultural Growth Corridor of Tanzania: Investment Blueprint.
[16] Henseler, M., Maisonnave, H., Maskaeva, A., 2022. Economic impacts of COVID-19 on the tourism sector in Tanzania. Annals of Tourism Research Empirical Insights. 3(1), 100042. DOI: https://doi.org/10.1016/j.annale.2022.100042
[17] Haule, B.I., Ndimbo, G.K., Chikandanga, J.M., et al., 2025. Impact of smartphone use on fruit and vegetable growers' access to agricultural information in rural Tanzania: A case study of Kibaha district. Information Development. 0(0), 1–19. DOI: https://doi.org/10.1177/02666669251333146
[18] Meertens, B., 2000. Agricultural performance in Tanzania under structural adjustment programs: Is it really so positive?. Agriculture and Human Values. 17(4), 333–346. DOI: https://doi.org/10.1023/A:1026528003665
[19] Skarstein, R., 2005. Economic liberalization and smallholder productivity in Tanzania. From promised success to real failure, 1985–1998. Journal of Agrarian Change. 5(3), 334–362. DOI: https://doi.org/10.1111/j.1471-0366.2005.00104.x
[20] Anseeuw, W., Boche, M., Breu, T., et al., 2012. Transnational Land Deals for Agriculture in the Global South: Analytical Report based on the Land Matrix Database. Report No. 1, 27 April 2012. Available from: https://www.almendron.com/tribuna/wp-content/uploads/2015/06/analytical-report.pdf
[21] URT, 2017. The Agricultural Sector Development Programme phase two (ASDP II). 12 November 2017. Available from: https://asdp.pmo.go.tz/uploads/ASDP_II_-ENGLISH_VERSION_.pdf
[22] Choi, Y.J., Kim, S.N., 2024. Do foreign direct investment and foreign aid accelerate economic growth in developing countries? International Journal of Development Issues. 23(2), 348–357. DOI: https://doi.org/10.1108/IJDI-02-2024-0039
[23] Zhang, K.H., 2001. Does foreign direct investment promote economic growth? Evidence from East Asia and Latin America. Multinational Business Review. 13(2), 175–185. DOI: https://doi.org/10.1108/1525383X200500010
[24] Acquah, A.M., Ibrahim, M., 2020. Foreign direct investment, economic growth and financial sector development in Africa. Journal of Sustainable Finance & Investment. 10(4), 315–334. DOI: https://doi.org/10.1080/20430795.2019.1683504
[25] Alfaro, L., Chauvin, J., 2016. Laura Alfaro Harvard Business School and NBER Jasmina Chauvin. In: Rivera-Batiz, F.L., Spatareanu, M. (eds.). Encyclopedia of International Economics and Global Trade September, World Scientific Publishing Co. Pte. Ltd.: Singapore.
[26] Zhang, K.H., Song, S., 2001. Promoting exports: The role of inward FDI in China. China Economic Review. 11(4), 385–396. DOI: https://doi.org/10.1016/S1043-951X(01)00033-5
[27] Sokang, K., 2018. The impact of foreign direct investment on the economic growth in Cambodia: Empirical evidence. International Journal of Innovation and Economic Development. 4(5), 31–38. DOI: https://doi.org/10.18775/ijied.1849-7551-7020.2015.45.2003
[28] Moran, T., 2008. Foreign direct investment and development. In: Birdsall, N. (ed.). The White House and the World: A Global Development Agenda for the Next US President. Centre for Global Development: Washington, DC, USA. pp. 121–140. Available from: http://proxy.library.carleton.ca/login?url=http://search.proquest.com/docview/58770475?accountid=9894%5Cnhttp://wc2pu2sa3d.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info:ofi/enc:UTF-8&rfr_id=info:sid/PAIS+Index&rft_val_fmt=info:ofi/fmt:kev:
[29] Feenstra, R.C., Hanson, G.H., 1997. Foreign direct investment and relative wages: Evidence from Mexico's maquiladoras. Journal of International Economics. 42(3–4), 371–393. DOI: https://doi.org/10.1016/S0022-1996(96)01475-4
[30] Zhang, N., 2011. Foreign Direct Investment in China: Determinants and Impacts [PhD thesis]. The University of Exeter: Exeter, UK.
[31] Wei, Y., Liu, X., 2001. Foreign Direct Investment in China: Determinants and Impact. Northampton, USA: Edward Elgar Publishing, Inc.
[32] Chen, C., 2011. Foreign direct investment in China. Location Determinants, Investor Diff erences and

Economic Impacts. Edward Elgar Publishing Limited: Glos, UK.

[33] Bengoa, M., Sanchez-Robles, B., 2003. Foreign direct investment, economic freedom and growth: New evidence from Latin America. European Journal of Political Economy. 19(3), 529–545,DOI: https://doi.org/10.1016/S0176-2680(03)00011-9

[34] Alvarado, R., Iñiguez, M., Ponce, P., 2017. Foreign direct investment and economic growth in Latin America. Economic Analysis and Policy. 56, 176–187, DOI: https://doi.org/10.1016/j.eap.2017.09.006

[35] Dike, C., 2018. Effects of foreign direct investment in Sub-Saharan Africa economic growth: Evidence from panel data analysis. International Journal of Economics and Financial Issues. 8(2), 255–261. Available from: https://ezp.lib.cam.ac.uk/login?url=https://www.proquest.com/scholarly-journals/effects-foreign-direct-investment-sub-saharan/docview/2270049196/se-2?accountid=9851%0Ahttps://libkey.io/libraries/603/openurl?genre=article&au=Christie+Dike&aulast=Christie+D

[36] Rodríguez-Pose, A., Cols, G., 2017. The determinants of foreign direct investment in sub-Saharan Africa: What role for governance?. Regional Science Policy & Practice. 9(2), 63–82.

[37] Cotton, L., Ramachandran, V., 2001. Foreign direct investment in emerging economies: Lessons from sub-Saharan Africa. WIDER Discussion Paper No. 2001/82, Available from: https://www.econstor.eu/handle/10419/5302812.

[38] Taylor, R.S., 2020. Foreign direct investment and economic growth. Analysis of sectoral foreign direct investment in Tanzania. African Development Review. 32(4), 699–717. DOI: https://doi.org/10.1111/1467-8268.12472

[39] Awunyo-Vitor, D., Sackey, R.A., 2018. Agricultural sector foreign direct investment and economic growth in Ghana. Journal of Innovation and Entrepreneurship. 7(1), 15. DOI: https://doi.org/10.1186/s13731-018-0094-3

[40] Kalidou, A.I., Qi, G., Ndimbo, G.K., et al., 2024. The value of indigenous knowledge for enhancing smallholders' resilience to climate change and food insecurity: A case study of small-scale irrigation system in Niger. International Journal of Agricultural Sustainability. 22(1), 1–18. DOI: https://doi.org/10.1080/14735903.2024.2406062

[41] Minot, N., Sawyer, B., 2016. Contract farming in developing countries: Theory, practice, and policy implications. In: Devaux, A., Torero, M., Donovan, J., et al. (eds.). Innovation for Inclusive Value-Chain Development: Successes and Challenges. International Food Policy Research Institute: Washington, DC, USA. pp. 127–155.

[42] Hertel, T.W., Rosch, S.D., 2010. Climate change, agriculture, and poverty. Applied Economic Perspectives and Policy. 32(3), 355–385. DOI: https://doi.org/10.1093/aepp/ppq016

[43] Little, P.D., Watts, M., 2022. The afterlife of living under contract, an epilogue. Journal of Agrarian Change. 22(1), 197–206. DOI: https://doi.org/10.1111/joac.12467

[44] Lay, J., Ward, A., Sandra, E., et al., 2021. Taking Stock of the Global Land Rush: Few Development Benefits, Many Human and Environmental Risks. Analytical Report III.. Centre for Development and Environment, University of Bern: Bern, Switzerland; Centre de coopération internationale en recherche agronomique pour le développement (CIRAD): Montpellier, France; German Institute of Global and Area Studies (GIGA): Hamburg, Germany; University of Pretoria: Pretoria, South Africa; Bern Open Publishing: Bern, Switzerland. DOI: https://doi.org/https://doi.org/10.48350/156861

[45] de Schutter, O., 2011. How not to think of land-grabbing: Three critiques of large-scale investments in farmland. The Journal of Peasant Studies. 38(2), 249–279. DOI: https://doi.org/10.1080/03066150.2011.559008

[46] Oliveira, G.d.L.T., McKay, B.M., Liu, J., 2021. Beyond land grabs: New insights on land struggles and global agrarian change. Globalizations. 18(3), 321–338. DOI: https://doi.org/10.1080/14747731.2020.1843842

[47] Herrmann, R.T., 2017. Large-scale agricultural investments and smallholder welfare: A comparison of wage labor and outgrower channels in Tanzania. World Development. 90, 294–310. DOI: https://doi.org/10.1016/j.worlddev.2016.10.007

[48] Oliveira, S., Badarnah, L., Barakat, M., et al., 2022. Beyond energy services: A multidimensional and cross-disciplinary agenda for home energy management research. Energy Research & Social Science. 85, 102347. DOI: https://doi.org/10.1016/j.erss.2021.102347

[49] Nolte, K., Ostermeier, M., 2017. Labour market effects of large-scale agricultural investment: Conceptual considerations and estimated employment effects. World Development. 98(2016), 430–446. DOI: https://doi.org/10.1016/j.worlddev.2017.05.012

[50] Borras, S.M., Franco, J.C., 2012. Global land grab-

bing and trajectories of Agrarian change: A preliminary analysis. Journal of Agrarian Change. 12(1), 34–59. DOI: https://doi.org/10.1111/j.1471-0366.2011.00339.x

[51] Wolford, W.W., White, B., Scoones, I., et al., 2024. Global land deals: What has been done, what has changed, and what's next?. The Journal of Peasant Studies. 0(0), 1–38. DOI: https://doi.org/10.1080/03066150.2024.2325685

[52] Borras, S.M., Franco, J.C., Moreda, T., et al., 2022. The value of so-called 'failed' large-scale land acquisitions. Land Use Policy. 119(May), 106199. DOI: https://doi.org/10.1016/j.landusepol.2022.106199

[53] Olwig, M.F., Noe, C., Kangalawe, R., et al., 2015. Inverting the moral economy: The case of land acquisitions for forest plantations in Tanzania. Third World Quarterly. 36(12), 2316–2336. DOI: https://doi.org/10.1080/01436597.2015.1078231

[54] Li, T.M., 2011. Centering labor in the land grab debate. The Journal of Peasant Studies. 38(2), 281–298. DOI: https://doi.org/10.1080/03066150.2011.559009

[55] Alatas, S.H., 1997. The Myth of the Lazy Native. Frank Cass and Company Limited: London, UK.

[56] Martiniello, G., 2016. 'Don't stop the mill': South African capital and agrarian change in Tanzania. Third World Thematics: A TWQ Journal. 1(5), 633–652. DOI: https://doi.org/10.1080/23802014.2016.1243017

[57] Mitra, A., Rao, N., 2021. Contract farming, ecological change and the transformations of reciprocal gendered social relations in Eastern India. The Journal of Peasant Studies. 48(2), 436–457, DOI: https://doi.org/10.1080/03066150.2019.1683000

[58] Larsen, M.N., Gillett, J., 2017. Embedding the tobacco value chain in social and environmental concerns: contract farming and corporate social responsibility projects in the Tanzanian tobacco sector. In Contract Farming and the Development of Smallholder Agricultural Business: Improving Markets and Value Chains in Tanzania, 1st ed. Kuzilwa, J.A., Fold, N., Henningsen, A., et al. (eds.).Routledge Taylor & Francis Group: London, UK and New York, NY, USA. pp. 215–232.

[59] UNCTAD, 2021. World Investment Report 2021. Investing in Sustainable Recovery: United Nations Conference on Trade and Development UNCTAD. New York: United Nations. Available from: https://unctad.org/system/files/official-document/wir2021_en.pdf 10/12/2014

[60] BOT, TIC, and NBS, 2018. Tanzania Investment Report 2018: Foreign Private Investments. Available from: https://www.bot.go.tz/Publications/Other/Tanzania%20Investment/en/2020021122482283199.pdf 10/12/2024

[61] Dupasquier, C., Osakwe, P.N., 2006. Foreign direct investment in Africa: Performance, challenges, and responsibilities. Journal of Asian Economics. 17(2), 241–260. DOI: https://doi.org/10.1016/j.asieco.2005.07.002

[62] Hansen, M.W., 2013. Reaping the rewards of foreign direct investment Linkages between extractive MNCs and local firms in Tanzania. DIIS Working Paper No. 2013:22. Available from: https://www.diis.dk/files/media/publications/import/extra/wp2013-22_extractive-mncs-tanzania_michael-w-hansen_web.pdf 20/11/2024

[63] Moreda, T., 2017. Large-scale land acquisitions, state authority, and indigenous local communities: Insights from Ethiopia. Third World Quarterly. 38(3), 698–716. DOI: https://doi.org/10.1080/01436597.2016.1191941

[64] Sulle, E., 2020. Bureaucrats, investors, and smallholders: Contesting land rights and agro-commercialization in the Southern agricultural growth corridor of Tanzania. Journal of Eastern African Studies. 14(2), 332–353. DOI: https://doi.org/10.1080/17531055.2020.1743093

[65] Locher, M., Sulle, E., 2013. Foreign Land deals in Tanzania: An Update and a Critical View on the Challenges of data (Re)Production. LDPI Working Paper No. 31. Available from: https://mokoro.co.uk/land-rights-article/foreign-land-deals-in-tanzania-an-update-and-a-critical-view-on-the-challenges-of-data-reproduction/22/11/2024

[66] The Land Matrix Global Observatory, 2016. Large Scale Land Acquisitions Profile: Tanzania. Available from: https://landmatrix.org/documents/27/LM_Country_Profile_Tanzania.pdf 22/11/2024 .

[67] Locher, M., Sulle, E., 2014. Challenges and methodological flaws in reporting the global land rush: Observations from Tanzania. The Journal of Peasant Studies. 41(4), 569–592. DOI: https://doi.org/10.1080/03066150.2014.919263

[68] Mbunda, R., 2016. The developmental state and food sovereignty in Tanzania. Agrarian South: Journal of Political Economy. 5(2&3), 265–291. DOI: https://doi.org/10.1177/2277976017700210

[69] de Cleene, S., 2014. Agricultural growth corridors–unlocking rural potential, catalyzing economic development. In: Köhn, D. (ed.). Finance for Food Towards New Agricultural and Rural Fi-

nance. Springer: Berlin, Heidelberg, Germany. pp. 67–87.

[70] Sulle, E., Hall, R., Paradza, G., 2014. Inclusive Business Models in Agriculture? Learning from Smallholder cane Growers in Mozambique. Policy Brief 66, 14 April 2014.

[71] Sullivan, J.A., Brown, D.G., Moyo, F., et al., 2022. Impacts of large-scale land acquisitions on smallholder agriculture and livelihoods in Tanzania. Environmental Research Letters. 17(8), 1–12. DOI: https://doi.org/10.1088/1748-9326/ac8067

[72] Isager, L., Fold, N., Nsindagi, T., 2018. The post-privatization role of out-growers' associations in rural capital accumulation: Contract farming of sugar cane in Kilombero, Tanzania. Journal of Agrarian Change. 18(1), 196–213. DOI: https://doi.org/10.1111/joac.12197

[73] Isager, L., Fold, N., Mwakibete, A., 2022. Land and contract farming: Changes in the distribution and meanings of land in Kilombero, Tanzania. Journal of Agrarian Change. 22(1), 36–57. DOI: https://doi.org/10.1111/joac.12456

[74] Wineman, A., Jayne, T.S., Modamba, E.I., et al., 2021. Characteristics and spillover effects of medium-scale farms in Tanzania. The European Journal of Development Research. 33(6), 1877–1898. DOI: https://doi.org/10.1057/s41287-020-00323-7

[75] Sulle, E., 2017. Social differentiation and the politics of land: Sugar cane outgrowing in Kilombero, Tanzania. Journal of Southern African Studies. 43(3), 517–533. DOI: https://doi.org/10.1080/03057070.2016.1215171

[76] Brüntrup, M., Schwarz, F., Absmayr, T., et al., 2018. Nucleus-out-grower schemes as an alternative to traditional smallholder agriculture in Tanzania – strengths, weaknesses and policy requirements. Food Security. 10(4), 807–826. DOI: https://doi.org/10.1007/s12571-018-0797-0