



Labor Impacts of Large Agricultural Investments: case studies in Mozambique, Kenya and Madagascar

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Context: African people need jobs

- Employment is key to Sub-Saharan Africa
 - African labor market not dynamic due to lagging economic transition
 - Absolute rural population growing & rural sectors host +half of active youth (Losch et al. 2016).
 - In the next 15 years 375 million young people will enter the labor market (op cit).
- The development of agricultural enterprises could be associated with the increase of job opportunities (eg Collier and Dercon. 2014) but recent companies
 - Don't seek access to land AND labor (Baglioni and Gibbon. 2013).
 - Tend to implement capital intensive agriculture activities (Nolte, 2017)
 - Lagging promises in terms of jobs created (Deininger et al. 2011; Li. 2011. Anseeuw et al.. 2012).

Research question

What are the direct impacts of large-scale agricultural investment developments with regards to jobs creation?

Policy implications

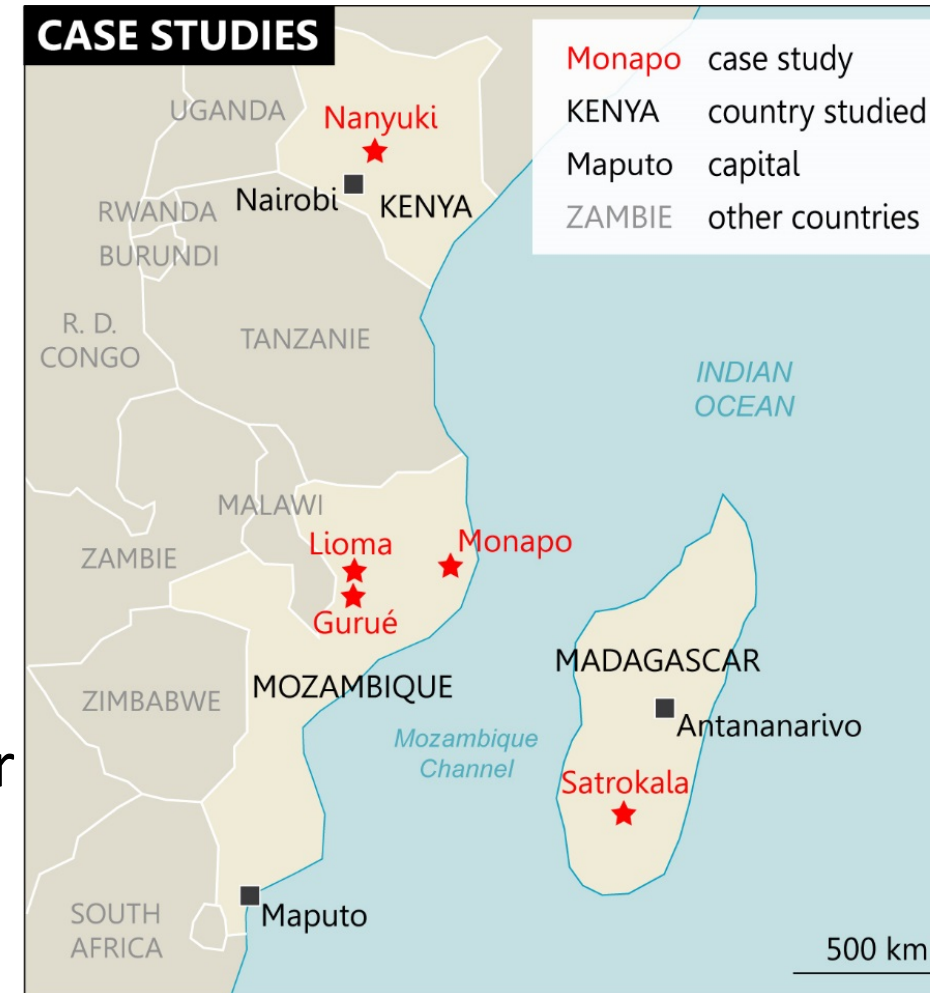
What lessons can be learned in terms of public policies in the framework of contemporary labor contexts, particularly in Africa?



Methodology

3 contexts: 3 contrasting context, levels and maturity/age of agricultural investments

- **Kenya:** Nanyuki = longstanding investments in and dynamism of the horticultural sector (Jaffe. 1992; Humphrey et al. 2004);
- **Mozambique:** Nacala corridor (Gurué/Monapo) = pro-investment policies and programs and high number of new investors present (Hanlon. 2012; German et al. 2016; Deininger and Xia. 2017);
- **Madagascar:** few companies to have continued after a failure rate of 95% of the hundred investment deals announced in the 2000-2017 period (Burnod and Andriamanalina. 2017).



Phase 1 : Data collection at the companies level

Inventory & Qualitative assessment of business model based => qualitative interviews with companies

Agricultural farms	MOZAMBIQUE	KENYA	MADAGASCAR
Level	Study areas	Study area	Country
Period	2000- 2018	1996-2017	2000-2017
Nb of companies (updated inventory)	25	64	95
Nb of interviewed companies/retained for assessment	14/14	34/34	20/2

Table 1 : companies' census in study areas according to country (sources Cetrad and CDE for Kenya. ILC and Cirad for Mozambique. Malgasy Land Observatory and Cirad for Madagascar)

Phase 2 : Data collection at the households (HH) level

=> interviews with HH based on questionnaire (socio economic activities, livelihoods, ecological, land tenure and food security modules)

- Study areas :
 - **factual zones** - were selected in a reasoned way in order to reflect the diversity of agricultural investments
 - **counterfactual zones** – similar agro-ecologic conditions with no agribusiness
- Households were randomly selected – from 500 to 600 per country

	MOZAMBIQUE	KENYA	MADAGASCAR
Number of HH	504	545	601

Table 2 : Number of interviewed HH per country

Quantity of created jobs

Quantity of created jobs in 2016 per company and study areas

	MOZAMBIQUE	KENYA	MADAGASCAR
Nb of companies assessed	14	34	1
Permanent jobs (PJ)			
Sum of PJ	2700	5500	95
Average PJ /company	152	165	95
Temporary jobs (TJ)			
Sum of TJ	6000	1600	200
Average TJ / company	330	49	200
HH			
Nb of HH in the study area	162 000	600 000	1 000
% potentially impacted HH	5%	2%	30%

Quantity of created jobs in 2016 on average according to agricultural model per 100 cultivated hectares

	Country	Nb of farms	Area cultivated /farm	Mechanization	Processing	Nb of PJ/100 ha	Nb of TJ/ 100 ha
Vegetables /mixed	Kenya	15	31	Partial	yes	210	225
Roses	Kenya	10	23	no	yes	1740	220
Cereal :	Kenya	8	952	yes	no	6	1
maize. soybean. ...	Moz	4	1173	yes	no	8	2
maize, soybean	Mada	1	3500	Yes	yes	3	4
Perennial crop Sisal	Moz	3	2073	no	yes	1	4
Tea	Moz	3	1872	no	Yes	30	40
Meringa. macadamia. etc.	Moz	4	1593	no	some	12	4

Rough comparison with family farming per 100 cultivated hectare

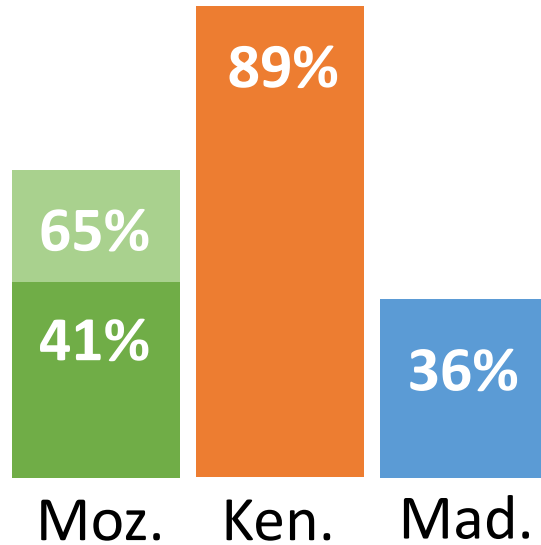
	Commercial farms				Family farms		
Country	Area cultivated /farm	crop	Nb of PJ/ 100 ha	Nb of TJ/ 100 ha	Area cultivated /farm	crop	Nb of PJ/ 100 ha (equivalent)
Kenya	31	Veg	210	225	1,02	Mixed - veg	212
Kenya	23	Roses	1740	220	1,07	Mixed	160
Kenya	952	Cereal	6	1	1,07	mixed	160
Moz	1 173	Cereal	8	2	2,1	mixed	110
Mada	3 500	Cereal	3	4	-	Grazing land	1
Moz	2 073	Sisal	1	4	2,1	Mixed	110
Moz	1 872	Tea	30	40			



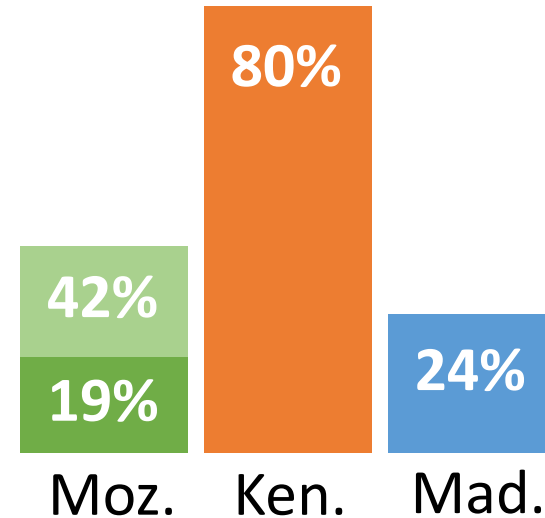
Quality of created jobs

Quality and attractiveness depends on country

% of permanent workers



% with “declared” contract

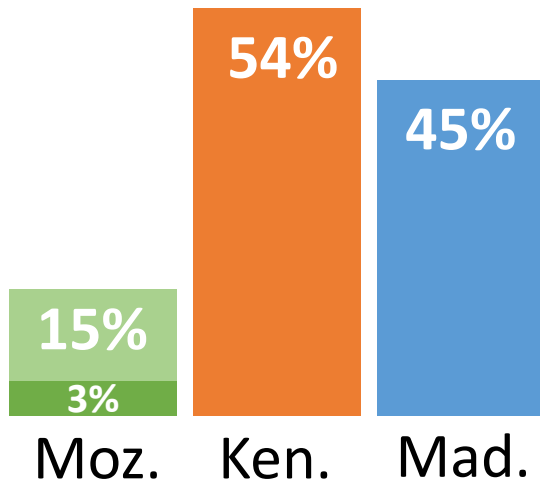


	MOZ – 3 cases	KENYA - Nanyuki	MADA - Satrokala
Level of remuneration per day	MNZ	KS	MGA
Agribusiness jobs	80 to 120	320	7 500
Non-agriculture employment*	80 to 220	420	3 500
Self employment	90 to 100	250	2 900

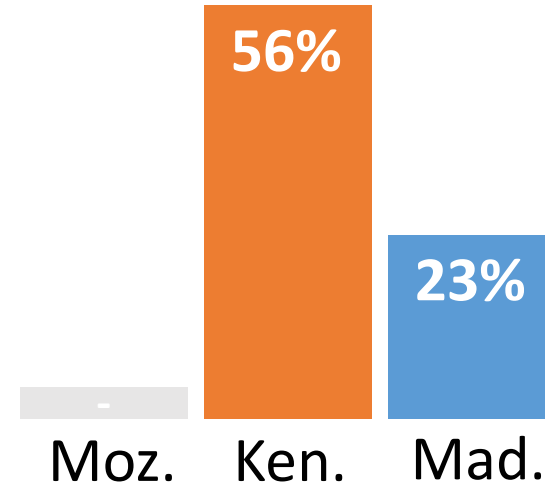
Workers' profile

Jobs opportunities for women ? Yes.

% of female workers



% of female permanent workers



In large majority of cases, only 1 member in the household is working for an agribusiness.

- **Kenya:** women represent half of the (permanent) workers ;
- **Madagascar:** women represent half of the workers but only 23% of the permanent;
- **Mozambique:** women are seldom employed as workers.

Jobs opportunities for migrants ? Yes but migrants can represent the majority of the population.

	MOZ – 3 cases		KENYA - Nanyuki		MADA - Satrokala	
	Workers	Counter factual	Workers	Counter factual	Workers	Counter factual
Natives	37 to 56	55 – 66	19	25	21	91
Migrant nearby	8 to 15	15- 18	70	71	7	5
Migrant far	29 to 48	16- 30	11	4	72	5

- Majority of workers are migrants : 80% (Kenya & Mada); 50% (Moz)
- They are coming from neighboring localities (Kenya), remote localities (Moz & Mada)
- But only in Mada:
 - Migrants are over represented in the workers population and seldom in counterfactual zone.
 - Agribusiness development and job opportunities were the reason to migrate

Jobs opportunities for the ones who lost land?

- In **Kenya**: no land lost in the studied area – roses and vegetable farms used former private land already allocated to commercial farms
- In **Mozambique**: 22 to 45% of the HH lost land (farmers used to occupy former state farm or customary land)
- In **Madagascar**: 8% of HH lost land – mainly grazing land for cattle
- In **Madagascar** and **Mozambique**: Workers are less represented in the HH with “land lost” category
- Jobs do not compensate directly for land lost ..no forced proletarian movement

Jobs opportunities for poor households?

In comparison to general and counter-factual population – based on non productive asset indicators

- In **Madagascar** and **Mozambique**: more permanent workers in the best well-off category, more temporary workers in the poorest category
- In **Kenya** more temporary workers in the poorest category

No possibility to establish causality relation:

Poor people seized temporary jobs opportunities. Or as they have only temporary jobs opportunities they stay poor...

To conclude....

- Jobs are being created
- Quantity and quality of jobs do not justify displacement of farmers/change of production system or the non-focus on other production systems
- Lack data/insights to understand if these jobs represent a vector of poverty alleviation
- Incentivizing policy re business model choice and imposition of minimum labor conditions