On Whose Interest is the State Intervention in Biofuel Investment in Tanzania?

CELA INTERESTE A QUI CONCERNANT L'INTERVENTION DE L'ETAT SUR L'INVESTISSEMENT DES BIOCARBURANTS EN TANZANIE ?

Opportuna L. Kweka[1,*]

[1] Lecturer, Department of Geography, University of Dar es Salaam, P. O. Box 35049, Dar es Salaam, Tanzania.
* Corresponding author.

ABSTRACT

Biofuel investment in Tanzania is spearheaded by foreign direct investors. The assumption behind increasing foreign direct investment in the country is that they enable capital flow, skills and technology transfers and create employment. Studies on foreign direct investment pointed out that, state intervention is needed to ensure that profits accrued from the investments benefit countries hosting these investments. Despite state intervention in biofuel investments in the country studies have reported that the investments have negatively impacted communities. The aim of this paper is to determine the nature of state intervention in the process of biofuel investment in Tanzania, using case studies of Kisarawe, Bagamoyo, Rufiji, and Kilwa districts. Eight villages were chosen, two from each district. Interviews were conducted with villagers and officials working in government institutions and biofuel companies. A review of minutes of village meetings which discussed investors' requests for land from the villages was conducted. Findings reveal that there was a strong state intervention to assist investors to get land from villagers, and lack of, or less state intervention is seen when villagers demand for compensation and asking investors to fulfil their promises.

Key words: Biofuels, Foreign direct investment, State intervention, Development