1. Community participation in Tanzania’s petroleum sector

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1. INTRODUCTION

Until a couple of decades ago, negotiating petroleum contracts was largely an issue between ruling political and bureaucratic elites and investors; local populations did not play any significant role in the process (Radon, 2007). They were also largely ignored in the broader literature on the petroleum industry in developing countries. However, following in the wake of the violent conflict in the Niger Delta in Nigeria in the late 1990s, academic research was undertaken focusing specifically on their plight (Ejobowah, 2000; Pegg, 2015). They have since emerged as increasingly relevant stakeholders in oil and gas projects, and a host of social and environmental standards have been developed, primarily targeting the behaviour of private international oil companies (Watts, 2005; Cotula, 2016). This may be relevant to ensure the stability of operations, but it does not shed much light on the role that local populations may play in the implementation of investments. Similarly, the resource curse literature has identified a correlation between large-scale petroleum extraction, conflict and ultimately civil war (Ross, 2015), potentially pointing to rebellion as a local population strategy to gain more control over and increase benefits from extractive resources, while remaining almost silent on other types of agency.

Based on a review of recent scholarship on the role of local populations in petroleum investments, empirical research into a number of petroleum investments and petroleum-related projects in mainland Tanzania, and the political processes structuring such projects, this chapter unpacks local strategies of exerting an influence on the development of the petroleum industry. The chapter makes two arguments. First, it argues that local populations exercise greater agency than is often depicted. Whereas local populations are rarely, if at all, allowed to influence the striking of deals between governments and companies directly, the evidence suggests that they can influence their implementation, as well as the legal and administrative frameworks that govern
the sector. In Tanzania, we can observe a repertoire of actions that have been employed to influence deals and increase the benefits from projects: riots and resistance related to control over resources; legalism from below, which targets the particular terms under which land is acquired; and voting behaviour that aims to reward or punish the ruling politicians who influence the legal and institutional frameworks that structure investments.

Secondly, and consequently, we argue that the agency of local populations depends on the political economy of petroleum in a given country. Tanzania is interesting in this regard because ownership and control over land and natural resources is vested in the nation and is managed by the government on behalf of the people. This means that the government is strongly involved in the implementation of projects (Pedersen and Jacob, 2017). As a ‘new oil’ country, Tanzania allows us to better study the impact of the advent of international social standards in a different context than the more loaded processes in ‘old’ producer countries like Nigeria and Angola. Our findings suggest that local populations’ attempts to influence deals tend to target the ruling politicians more than the international oil companies making the investments. This was all the more pronounced due to the intense electoral competition that prevailed before authoritarian tendencies were gradually introduced in Tanzania in the second half of the 2010s and which made the political system more sensitive to the interests of rural populations (Paget, 2017; Jacob and Pedersen, 2018). Our findings therefore point more to the existence of politicised processes involving local and national politics than is often acknowledged in the literature. These findings feed into emerging bodies of literature that point to the crucial role of the state authorities in structuring the implementation of social standards, for instance, Corporate Social Responsibility (CSR) and land acquisition (Frynas, 2009; Pedersen and Kweka, 2017).

This chapter is based on intensive fieldwork from 2015 to 2017 along the Indian Ocean coast in the southern half of Tanzania, where most gas reserves have been found. Around 150 in-depth qualitative interviews were conducted with a wide range of stakeholders, including local people directly affected by investments, local authorities, NGOs, government officials and company representatives. Generally, the research focused on four elements; (1) project designs and project implementation; (2) to what extent local populations’ procedural rights to information, participation and compensation for land were adhered to; (3) local engagement with investors; and (4) the political processes that aimed to reform the legal and administrative framework governing the sector over the same period.

The next section provides a brief literature review on the role of local populations in petroleum investments, showing that they have gained some prominence, but still tend to be depicted as passive objects for interventions by investors and ruling elites. The understanding of the more politicised rela-
Community participation in Tanzania’s petroleum sector is still little developed. The following three sections unpack some of the actions local populations have carried out to influence investment processes in Tanzania, first through riots and resistance related to a pipeline project, secondly through legal action by bringing cases to court and appealing to leaders at various levels, and thirdly through strategic voting. The sixth section discusses the implications of these actions, arguing that local populations only have limited impact on investment decisions and implementation, but seem to have traction in terms of influencing the policymakers into designing or approving the overall policies. Lastly, this section is followed by a conclusion.

2. COMMUNITIES AS SUBJECTS TO BE PROTECTED: A LITERATURE REVIEW

Local populations have gained more prominence in the literature on petroleum in Africa over the last decade and a half, but rarely in a way that depicts them as actors with much agency. In the general literature on petroleum, they only appeared for real around 2000, mostly due to conflicts in the Niger Delta in Nigeria in the previous decade (Ejobowah, 2000; Pegg, 2015). It is also only quite recently that the plight of local populations has become an issue with respect to the negotiation of petroleum contracts (Radon, 2007). Calls for ‘meaningful’ engagement with communities have become more vocal (Wilson et al., 2016; OECD, 2016; OECD, 2017). Even so, they still tend to be seen as objects to be protected by investing extractive companies more than as relevant stakeholders to be involved in actual negotiations. Relatedly, the more business-focused literature has recently started emphasising the extra operating costs that companies may incur from conflicts with local populations (Davis and Franks, 2014). Consequently, a host of standards have been promoted, typically emphasising the responsibility of the extractive companies to prevent grievances and address the livelihood concerns of local populations.

Indeed, the extractive sectors have become pioneers in developing the sorts of social policies that have become increasingly important for transnational businesses investing in developing countries. Most importantly, CSR interventions have been implemented in numerous ways, mostly voluntarily, in order to accommodate the concerns of host communities at various levels (Frynas, 2005; Frynas, 2008). The advent of the CSR agenda overlapped with the launch of the UN’s Global Compact initiative in 2000, which encouraged businesses to implement sustainability goals wherever they operated (Watts, 2005). The more academic CSR literature has increasingly pointed to the key role of the host state in shaping the outcomes of companies’ CSR interventions (Frynas, 2009; Scherer and Palazzo, 2011). The responsibility of international financial
institutions to ensure compliance with environmental and social standards was also institutionalised during this period (Szabowski, 2002; 2007).

The role of these more or less voluntary standards has only increased in recent years. The concept of the Social License to Operate (SLO) has become a powerful framework for firms’ interactions with local communities, whose acceptance they should seek not merely as a one-off but through ongoing consultations (Prno and Scott Slocombe, 2012; Prno, 2013). The notion of Free, Prior and Informed Consent (FPIC) is stronger in legal terms, as it has been incorporated into the United Nations Declaration on the Rights of Indigenous Peoples of 2007 and outlines the responsibility of state governments to obtain indigenous communities’ consent prior to making any major land-based investments (Cotula, 2016). Though this idea originated in Latin America, NGOs and researcher activists have subsequently sought to promote this standard on extractive companies around the world (Greenspan, 2014; Oxfam, 2015). However, it has met resistance from governments in Sub-Saharan Africa, and it is less clear whether it actually affects relations between local populations, investing companies and ruling elites in the region and, if so, how.

The larger body of literature on the resource curse is similarly vague on the agency that local communities may exercise in order to influence operations. It has tended to focus more on the lower than expected economic growth, dysfunctional institutions and clientelist politics that are often following in the wake of large natural resource investments and resource-driven windfalls (Collier, 2010; Ross, 2012; Hilson, 2014). However, it does point to a correlation between the discovery of natural resources – in particular oil – and civil war, especially if the resource is found in peripheral areas with marginalised ethnic populations (Hunziker, 2014; Ross, 2015). In less war-prone areas, research shows that, whereas local populations in mineral-producing localities do benefit from resources in the form of rising living standards and improved livelihoods, extraction also leads to increasing levels of inequality, environmental degradation and dispossession, something that the present authors suggest may help explain the recurrent social discontent that often accompanies resource extraction (Loayza et al., 2013).

Finally, recent research in the field between the literature on democratisation and that on extractive resources has identified a correlation between the size of economic transfers from resources and the likelihood of local leaders being re-elected (Maldonado, 2014). These two bodies of literature thus suggest that local populations may play a role in influencing political processes in resource-rich areas. However, existing research does not really unpack how and why this plays out. The need to unpack investment-related processes that involve local populations is also the theme of an emerging body of research on petroleum investments and land in Africa, which has pointed to the importance of statutory legal and institutional frameworks guiding the acquisition of land
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for investment purposes (Akujurua and Ruddock, 2014; Ekhator, 2015; Emuedo and Abam, 2015; Pedersen and Kweka, 2017; Pedersen and Jacob, 2017).

In short, the literature on the more politicised relations between local populations, investors and ruling elites in the petroleum sector is still limited: local populations still tend to be depicted either as passive objects when faced with interventions from investors and ruling elites in the petroleum sector, or as participants in or victims of organised crime, violence and civil wars in resource-rich, but peripheral areas. Whereas this may be part of the picture in some cases, in the following sections we identify a larger repertoire of actions that local populations have employed to influence deals and increase the benefits to them of projects, namely riots and resistance, legalism from below and voting behaviour.

3. RIOTS AND RESISTANCE

In scholarly research on Tanzania, there has been a strong tradition of emphasising the successful post-colonial nation-building of the country’s first President, Julius Nyerere. While there have been cases of political intervention and unrest targeting the Asian minority linked to the latter’s dominance in the business sector in the early years after independence, ethnicity is generally seen as much less important in politics than it is in most neighbouring countries (Barkan, 1994; Aminzade, 2013; Boone, 2014; Cheeseman et al., 2018). It therefore came as a surprise to many when, in 2012 and 2013, the population in the country’s southeastern regions rioted and aired separatist sentiments prompted by the government’s decision to construct a pipeline to transport natural gas from the gas field of Mnazi Bay south of Mtwara town to the commercial centre of the country, Dar es Salaam. Over several days, people went into the streets to express their anger, as they felt that the gas extracted in the region should have been used locally to generate economic activity and jobs.

The pipeline project had been several years in the making, but with limited involvement by the local population. Gas had already been found in Mnazi Bay in 1982, but the domestic market was then deemed too small to justify the costs of extraction and associated infrastructural development. However, Artumas, a Canadian company, began production in 2007 based on a production-sharing agreement from 2004, and supported by Dutch development assistance (Bofin and Pedersen, 2017). The initial gas-to-electricity project was rather modest, being restricted to providing a more stable power supply with an 18MW power plant to the then poorly supplied southeast of the country. Given the decision in 2012 to construct a pipeline to Dar es Salaam, production was increased from 2–3 million cf/day (cubic feet per day) in the early years of production for TANESCO’s power plant in Mtwara to up to 80 million cf/day and an option for a further increase to 130 million cf/day later (Wentworth, 2010;
Maurel & Prom, 2014). This was a USD 1.2 billion project, 95 per cent of which was financed through a loan from the China Export Import Bank held by the Tanzania Petroleum Development Corporation (TPDC). The loan was conditional: prior to finalising the loan agreement, contracts were signed with Chinese companies for construction (Bofin and Pedersen, 2017). Combined with new power-plant facilities in Dar es Salaam, the pipeline was envisaged as helping address the glaring gap in power supply between the need for electricity and the limited production capacity that the rest of the country was experiencing.

What is noteworthy about the riots that ensued was the fact that their main targets were not the international oil companies involved in the Mnazi Bay project, but government and ruling-party offices, which were ransacked and, in some instances, burnt to the ground. This contrasts with the conflicts over large-scale mining from the 1990s onwards, when the mining companies were more conspicuously implementing projects in the context of limited central and local government capacity and therefore became targets for local resistance (Lange, 2008). However, with the increasing emphasis on the party-state’s involvement in Tanzania’s extractive projects, conflict dynamics have changed (Pedersen and Jacob, 2017; Jacob, 2018). Indeed, the decision to construct the pipeline was clearly a government decision, as the then Minister of Energy and Minerals, Sospeter Muhongo, was very vocal on the issue, arguing that the company that would be implementing the project would be a state entity, TPDC (Confidential, 2013a).

At the heart of the protests were decade-old feelings that the southeast had been marginalised in the country’s development (Seppälä and Koda, 1998; Must, 2018). An often-cited element in this was the fact that a tar road connecting these regions to the rest of country, though having been promised for decades, was only finalised after 2010, when major new gas resources along the Indian Ocean rim were found. Unheard of in Tanzania, there were even open displays of threats to secede from the country, and although rioters rarely targeted individual outsiders directly, they did tell people from other regions to go home. Since then these sentiments have subsided, due in part to repression, and whereas the threat of secession has been aired again since, the general conclusion is that this was more a rhetorical device in order to show the genuineness of the grievances, rather than expressing a deep-felt wish to secede (Ahearne and Childs, 2018).

One of the main reasons for the rioting was the lack of information from the government and the lack of consultation with the local population. Access to information in general, and more specifically information related to the project, is still very limited even among some NGOs, who are working to raise awareness to the local communities. In the absence of such information, local communities have used all possible materials they possess, from the limited
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media presence to gossip and rumours. According to Abu-Lughod (1985) and Scott (2008), rumours and gossip are forms of resistance often used by the weak when confronting more powerful authorities. Whereas the then President Kikwete in 2010 had announced that Mtwara would be a ‘new Dubai’ (Stølan et al., 2017), the decision in 2012 to construct a pipeline came as a surprise. Kikwete’s aim in making such a statement was to win the election in 2010 in Mtwara where the opposition party, the Civic United Front (CUF), had had a stronghold for a while. Having done so, in 2012 he changed to a policy of transporting gas to Dar es Salaam. As a result, local people found that the industries they had imagined being built in Mtwara and the associated employment opportunities were becoming less tangible. The local politicians from the ruling party were merely informed about the pipeline decision, a top-down procedure that was perceived as rather impolite by Tanzanian standards, where consultations are often conducted even when decisions have already been taken (interview with district councillor, 28 September 2017). This fuelled decades-old feelings of marginalisation.

By comparison, the local population’s relations with the international oil companies tend to be more peaceful, partly because of these companies’ transfers of resources to local populations in exchange for land and resources. The first gas project in Mtwara, which began producing gas and power for the local area in 2006–07, had been implemented by a private oil company, Artumas, which followed the international standards of the private-sector arm of the World Bank, International Finance Corporation (IFC), in respect of rates of compensation. These were more generous than the standards that were applied to the new pipeline under the auspices of TPDC, which followed more restricted Tanzanian compensation schedules and rates of compensation. Artumas and the succession of companies that came to acquire the right to operate in Mnazi Bay after Artumas (currently the French company Maurel and Prom) invested further in CSR. Every year there is a dialogue about priorities between the company and the local population involving planned social investments in the affected areas, for instance, the construction of school classrooms, road repairs and boreholes (interview with local leader, 28 September 2017).

The national authorities’ response to the riots came in several phases, at first being quite heavy-handed, involving the introduction of the police, with people being beaten up, imprisoned and several being killed. To this day, tensions are strong, and the representatives of national authorities are on the alert for anything that might stir new riots. The local population is thus perceived to be more troublesome than those in other regions of the country. The authorities therefore closely monitor and regulate the people and organisations...
that engage with the local populations, or, as put by one government official, they ‘coordinate’:

We have our own way to handle communities. You should coordinate what should reach local people and what should not reach the communities. We have to train the communities to come back on track. (Interview with government official in Mtwara, 23 October 2017)

A part of this is the perception, among some central government officials, that the riots were stirred by external actors, who were supposedly unhappy with the pipeline. Some point to oil importers, who had hitherto profited from the importation of fuel for power production by trying to undercut the gas-to-electricity project. Others point to the international oil companies, who were believed to be against the state-led project (interview with current government representative, 27 September 2017; interview with former government representative, 8 June 2018).

However, the resistance also had more constructive outcomes in terms of exchanges that aimed to improve relations between the ruling elites, the national oil company (TPDC) and local populations. Whereas the riots came as a surprise to national decision-makers, the debate soon came to focus on two things. First was the need to address and ‘manage’ people’s expectations. Led by Paul Collier, donors had already been pushing for the development of a communications strategy to manage expectations, but the agenda was now being taken up by the government too (see URT and Collier, 2013). In addition, TPDC began expanding its CSR activities by paying villages to take care of the areas around the pipeline, for example, by cutting the grass and also ‘protecting’ the pipeline. Secondly, according to some officials the riots led to an intensified focus on local content provisions and other ways of increasing local benefits from production (interview with government official, 27 April 2017). Indeed, the 2015 Petroleum Act provides for quite detailed and binding requirements on local content, CSR and training (Jacob et al., 2016). The local content agenda, however, was also partly driven by the interests of the national political and economic elites, which did not necessarily overlap with those of the local populations and therefore did not necessarily benefit these populations to any significant degree (for more on this, see the discussion below). Apart from riots and resistance, local populations sought to influence the terms of the investments in other ways, as described in the next section.

4. LEGALISM FROM BELOW

Whereas the resistance analysed above originated in dissatisfaction with the overall decisions of the political elite and was linked to a longer history of
certain populations feeling marginalised, many smaller actions are deployed by local populations to influence the implementation of specific investment projects, typically without challenging the right of the political and administrative elites to take the decisions about them. These cases predominantly originate in feelings that procedural rights – that is, the rights to information, participation and compensation – have been violated. A host of cases have been brought to court as acts of what Julia Eckert (2006) has termed ‘legalism from below’, that is, ‘protest that uses legal terms against the transgressions of law by state agents and other bodies of governmental authority’. In the Tanzanian case, however, we should add that local populations not only protest against transgressions of the law as it is, but also transgressions against how they believe the law should be, which is bound up in feelings of injustice. Typically, however, they lose these cases, as the laws provide the state authorities with quite far-reaching powers in comparison with ordinary people and local communities. Possibly, therefore, many people first seek to influence decisions and their implementation through appeals to local leaders before going to court.

The starting point of some of these cases is the fact that individuals and groups of people come forward, claiming that they had not received compensation, despite having the right to it. This provides for a sensitive dynamic at the local level, because projects are typically implemented with the involvement of local authorities and leaders. Therefore, by complaining about the lack of compensation, individuals are also pointing their fingers at their own leaders. One instance of this was the acquisition of land for the gas-related Dangote project around 2010, when people complained about the lack of compensation. Indeed, implementation of the project had been fast-tracked to such an extent that procedural mistakes very likely happened. Valuations of land and livelihoods were conducted at a very short notice, and people received limited information about the procedures and their rights (interview with village leader, 20 February 2016; see also Pedersen and Kweka, 2017). Village leaders denied these claims and did not support the complainants when they went to court against Dangote and the district authorities, which had also been involved in the acquisition process, as had the Tanzania Investment Centre (TIC). Whether the village leaders were acting on behalf of the district authorities and the investor, or whether the complainants were merely trying to get compensation without genuine rights, could not be established by our research, but the reduction in the number of complainants during the process suggests that the latter might have been applicable in some cases. The complainants eventually lost the case, but at least one of the village chairmen resigned, or was forced to do so, and was replaced by one of the complainants.

Related to the gas investments that poured into the gas-rich regions after major discoveries of deep-sea gas offshore in the Indian Ocean in 2010, a virtual land rush and investment rush could be observed in the first half of
the 2010s. The development of a liquified natural gas (LNG) plant to process and compress the gas for export was expected to cost USD 20–40 billion and generate thousands of jobs (Baunsgaard, 2014). Most of the bigger projects involved various types of state actors, from those engaged in the expansion of infrastructure to ever more speculative enterprises such as fertiliser factories, industrial parks and urbanisation schemes. Of the latter, major urbanisation schemes in all the potential host cities of an LNG plant – Kilwa, Lindi and Mtwara – were initiated in the last two. The district authorities teamed up with the Unity Trust of Tanzania, Projects and Infrastructure Development (UTT PID), a unit under the Ministry of Finance set up to ‘unlock idle capital’ from previously privatised government enterprises. The main and only shares UTT PID still owns are in Tanzania Breweries (TBL) and the Tanzania Cigarette Company (TCC), which were both doing well even at the time of privatisation. The UTT PID has been investing in real estate through partnership with municipal councils, where it provides the funds for surveying urban and town land through the process of formalisation. The UTT PID is entirely a profit-making organisation with a CEO and some autonomy in decision-making. It therefore sells the surveyed plots at a higher price, splitting the profits from the sales with the local municipal councils (interview with UTT representative, 1 September 2015; see also Pedersen and Kweka, 2017).

In these cases, the urbanisation schemes provoked major conflicts with local landholders. However, they ended up quite differently for the inhabitants, differences that are illustrative of the political dynamics related to such investments. In Mtwara, people had previous experience of similar urbanisation projects and knew that they would be given low monetary compensation compared to the prices the land would be sold for afterwards. Remaining with only a little land of bad quality after the scheme, they would also find it hard to acquire new land to live on and farm in the area. In the new project, they were scheduled to 300 Tanzanian Shillings per square metre in compensation, knowing that the land would be resold for between 4000 and 8000 Tanzanian Shillings. They therefore initially rejected the project and the compensation deal when they were asked for permission prior to the project start in 2012–13. Although the state authorities have far-reaching powers to compulsorily acquire land, they generally also seek consent at the local level to make the projects go smoothly. Only under pressure from the district commission, and after obtaining promises on the size and quality of land they would receive as part of the compensation package, so they could stay in the area and have the land surveyed, did they accept the deal, but only unhappily:

We would not have been able to stop the project. Because it was a plan of the government to expand the city, so we had to accept [it]. Under normal circumstances
people would have rejected the project. But we could not say no. (Interview, local leader in Mtwara, 17 February 2016)

However, the project stalled due to the involvement of the Prime Minister’s Office and the Ministry of Lands, after protests over similar projects involving the UTT and other developers elsewhere in the country (see, for instance, *The Guardian*, 2016). Supposedly, it was the above-normal profit margins for the implementing entities, reportedly at up to 300 per cent of the capital invested, that provoked the backlash. In Mtwara, the profit margin would be lower, supposedly around 100 per cent (interview with district official, 17 February 2016). Possibly because they had managed to increase their take, however, the local people now wanted to get the process finished because they had stopped investing in perennial crops and buildings, and just wanted to have the compensation and move on with their lives. They therefore formed a committee to push for the deal to be finalised, and they also contacted their leaders, first the elected district leaders and the regional commissioner, though in the end they also wrote to the Prime Minister’s Office. They also opened a court case in the High Court in Mtwara to push for the project to be completed. A later interview with a local observer suggests that the areas have now been surveyed in collaboration with Ardhi University in Dar es Salaam, and that land has been given back to the initial landholders as part of the compensation (interview, 24 April 2021). The latter, however, were supposed to pay for having the land surveyed themselves, which some of them are struggling to do.

In Lindi, the local landholders who were trying to influence the UTT project were less fortunate, as the municipality and UTT implemented their urbanisation scheme and earned their profits, each of around 5 billion Tanzanian Shillings. Whereas those in the affected area did accept the project when it was introduced to them, some were unhappy about the level of compensation. Of the 700 who were compensated, 199 subsequently complained in court that they felt cheated, though some later withdrew their complaints. Unlike those affected by a similar project in Mtwara, they acted without the support of their local leaders at the sub-district level. Most of the complainants were dissatisfied with the level of compensation, which was at least 25 times and possibly up to 45 times below the price the land would later be sold for (Pedersen and Kweka, 2017). To many, another issue was that they only received information concerning the level of compensation very late in the process, basically on the same day the compensation was paid. While this is common practice in Tanzania to avoid speculation (interview with a ministry official, 26 February 2016), it also reduces transparency for those affected considerably. Nonetheless, acting without the support of their own elected leaders at the sub-district level, the local people lost the case against the district authority.
The mere discovery of large-scale offshore gas deposits in the Indian Ocean therefore created a virtual land rush to those areas that could potentially benefit from the development of the gas. This brought with it projects of a speculative nature that were initiated on the expectation of a future inflow of associated industries and the creation of thousands of jobs. In Tanzania’s rather statist land-tenure regime, this meant significant levels of involvement by district authorities which, in partnership with other developers, sought to profit from these new opportunities. The locally affected populations could not challenge the decisions of political and administrative elites to initiate projects, but they could seek to influence the terms they were offered through ‘legalism from below’. Being weakly protected by the law, they typically lose the cases over land acquisition that they do bring to court. However, they could and did seek to influence projects through letters and petitions to district and national political leaders, as demonstrated in Mtwara. To be successful, they needed the involvement and support of their leaders at the sub-district level. There were thus exchanges between local populations and the national ruling elite to undercut the alliance between district elites and investors. The link between the local and national political economies of gas becomes more apparent when we look at electoral politics.

5. INFLUENCE THROUGH VOTING

Decision-making on extractive investments is quite centralised in Tanzania, something which limits the room for protest and dissent. Until 2015, the ever more competitive electoral cycle presented an opportunity to express dissatisfaction and influence investment dynamics through the ballot box. The pattern in this respect is not quite the same in Mtwara, where the gas is currently being produced, or in Lindi, where an LNG plant is planned to be constructed using gas from offshore deep sea. In Mtwara, there is a widespread sentiment that the gas should be kept in the area, and the opposition parties successfully campaigned on this topic. In Lindi, on the other hand, people are generally happy that gas – and gas projects – will be brought to the area, and voting there was therefore less influenced by the issue of control over gas and associated investments. This section will go through these electoral dynamics in each of the areas involved and assess whether the procedures for investing in natural gas and making related investments had any influence.

The protests over the gas pipeline in 2013 began in Mtwara town, but they soon spread to the gas-producing areas to the south of the town, in Msimbati and Madimba, two relatively remote rural areas. There, the expression of discontent took its own distinct form. Firstly, the general discontent over the gas was demonstrated by logs being placed across the roads to prevent the passage of government traffic. Secondly, bombs were thrown at the buildings of a local
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marine park that had been established just prior to extraction. The construction of the buildings was unpopular because it was from them that the authorities controlled much of the land and water resources and also sought to control dynamite fishing in the area (interview with former village leader, 27 July 2016). Whereas people in Mtwara town wanted the gas to stay in the region, those in the gas-producing areas wanted it to stay in their areas and be used to generate job opportunities there. An additional source of discontent in the gas-producing areas was that the Mtwara Rural District authority chose to distribute the revenues from the local minerals tax, the 0.3 per cent service levy on annual gross revenues, evenly across the district, thus giving the gas-producing areas no advantages in this regard.

However, the Tanzanian authorities regained control over the area using the full force of the state apparatus, and young men in particular were beaten severely. This heavy-handed response and the gas issue in general affected people’s voting behaviour. Those traditionally supporting the Chama Cha Mapinduzi (CCM) and even CCM councillors found it hard to defend the ruling party in this situation. Many people, aware that further protests would not bring anything positive to the area, waited for election day to come. A journalist put it this way:

The 2015 elections were a result of the people being quiet. They thought: ‘let us be quiet but show during the elections.’ Most people said they were frustrated and were waiting to express their anger in the ballots. (Interview, 23 October 2017)

Whereas the CCM controlled 34 out of the 37 seats (92 per cent) in the rural district councils in these areas after the 2010 elections, it only controlled 17 out 29 seats (59 per cent) after the 2015 elections. The district council in the gas-producing area itself, Msimbati, switched from the CCM to one of Tanzania’s main opposition parties, the CUF.

In Mtwara town, which has its own local government authority, the pattern was even more dramatic for the ruling party. Generally, the 2015 elections were also mired in national politics. Early on, the CUF chairman, whose strongholds are Zanzibar and the coastal areas on the Tanzanian mainland, areas with majority Muslim populations, had declared that the major issue in the elections was the ownership of natural resources. The CUF called on Muslims to organise so as to make sure they received something out of the resources (Confidential, 2013b). Indeed, this fuelled the feeling among many in Mtwara that they were not benefiting very much from the gas being produced in their area. There had been large expectations regarding future employment, which, however, only materialised slowly. Furthermore, most jobs were day jobs or short-term contract work as guards, cleaners and cooks. This also explains why, to some extent, the riots and resistance targeted non-local people who
had migrated into the area. Some local people used the words ‘people from the North’ to refer to the in-migrants who are employed in the Dangote cement industry. In addition, there was dissatisfaction with the UTT-funded project mentioned above. After the 2010 elections, the CCM controlled 25 out of 28 seats (89 per cent) in the municipality. After the 2015 elections it lost control completely, winning only 12 out of 29 seats (41 per cent). As a result, the next mayor of Mtwara city council came from the CUF. The opposition also made inroads into the number of MPs from the entire region, though the CCM retained the majority.

In Lindi the story was different, as were the dynamics related to gas. As Lindi was not a gas-producing area, the construction of a pipeline would bring benefits from gas closer to the town, instead of taking it away from the area. Gas was therefore not a major issue during the 2015 elections (interview with journalist, 26 October 2017). Similarly, the outcomes of the urbanisation project involving the UTT funds mentioned above were ambiguous, as the community was divided. On the one hand, those who were in business supported the project because they expected to increase their customer base and their sales. Furthermore, the citizens in Lindi experienced the UTT-funded project as positive because the revenues that flowed from it allowed spending on popular projects, like the paving of roads and the equipping of school laboratories (interview with district official, 22 February 2016).

On the other hand, many of those who were farmers did not support the project because they found that their land was being taken from them without proper compensation and that they would become poorer as they lost their source of livelihood. Therefore, even though those affected by the project tried to elect other representatives, they did not manage to do so. The opposition parties did make inroads into the CCM’s majority, but this was linked to the general mobilisation by opposition parties in urban areas in Tanzania more than to conflicts over gas. The opposition went from 2 out of 20 seats in the municipality in 2010 to 8 out of 20 in 2015. Whereas the opposition parties did double their quota of MPs in the region from 2 out of 8 in 2010 to 4 out of 8, they lost their seat in Lindi Town.

Decision-making processes related to gas projects in Tanzania are fairly centralised nationally, and the direct influence of local populations on projects in between elections is therefore limited. As the heavy-handed response to the riots in Mtwara demonstrates, repression by state organs controlled by the ruling elites was always a possibility. However, local populations did seek to exercise influence through voting, which in the historically competitive 2015 elections resulted in landslide wins for the opposition parties in Mtwara because of dissatisfaction with the ruling party’s handling of gas. In Lindi, which would generally gain from gas projects, election campaigns were less directly influenced by the gas agenda. Overall, many of those who voted for
the opposition parties undoubtedly did so to send a protest signal to the ruling politicians that their legitimacy was wearing thin. Whether they believed that anything would actually change much is less clear. As authoritarian tendencies grew stronger in Tanzania after 2015, this avenue of influence closed. The 2020 elections resulted in landslide victories for the ruling party across the country, but, according to most independent observers, they were far from free and fair.

6. TOWARDS A LOCAL POLITICAL ECONOMY OF PETROLEUM INVESTMENTS IN TANZANIA

Much of the literature on oil and gas investments tends to depict local populations as hapless victims with no or limited influence on petroleum projects or as participants in or victims of organised crime, violence and civil war in resource-rich, but peripheral areas. Policy-wise, this has led to efforts to promote social standards and CSR, typically emphasising the responsibility of international oil companies in this regard. Lately, the FPIC has begun to place a greater emphasis on states’ responsibility to gain indigenous communities’ consent prior to major land-based investments, but it has met resistance from governments in Sub-Saharan Africa. We have argued that local populations employ a repertoire of actions to influence projects and thereby exercise greater agency than is often depicted. In Tanzania’s rather centralised and statist political and land-tenure systems, these actions typically target ruling elites and state authorities at various levels.

An important distinction should be made between direct influence on the implementation of specific projects and less direct influence on the policy frameworks guiding investors. While local populations are rarely allowed to influence investment decisions and only have limited impact on implementation, once projects have been set in motion, their activities seem to gain more traction, which makes an impression on the policymakers who are designing or approving the overall policies. This points to more politicised processes than is often acknowledged in the literature. Most conspicuously in this regard is the Petroleum Act of 2015 and the Draft Land Policy of 2016, both of which explicitly seek to improve the lot of existing holders of land rights, as well as local populations in the gas-producing areas.

It can be hard to establish exactly which event filters into the policymaking process. However, interviews and evidence point to the riots in Mtwara as one of the factors that contributed to the passing of the Petroleum Act. The Act not only caters for strong provisions in respect of CSR and local content, but also provides for state institutions to monitor the enforcement of these provisions (interview with government official, 27 April 2017; see also Jacob et al.,
In the Draft Local Content Policy that came out a year after the riots, addressing rising local expectations is regarded as necessary:

Delivering local benefits to the communities where oil and gas companies operate is no longer an option. It is a commercial necessity – and one that is increasingly mandated by law in many countries [...] companies in the oil and gas industry face rising expectations to do more than simply mitigate negative impacts, serve as sources of tax/royalty revenue and act as good neighbours. (URT, 2014)

People in Mtwara were consulted during the drafting process (interview with person involved, 4 August 2016). Similarly, the Draft Land Policy of 2016 mentions the land acquisition processes in the country that have led to dissatisfaction and complaints locally and which it promises to address: ‘The main areas of concern include inadequate compensation payments, delay in paying compensation and lack of transparency on valuations for compensation and payment of compensation’ (URT, 2016). Such provisions were introduced after years of relentless campaigning by civil society and opposition parties, pointing to conflicts and dissatisfaction in mining areas, and stating that Tanzania was not receiving enough out of its resources.

This put pressure on the ruling party – which, combined with increasing electoral competition, at least until authoritarian tendencies gradually became stronger after 2015 – made it change direction (Jacob and Pedersen, 2018). In this respect, the local populations’ tactics, which we observed and analysed above, aimed at influencing politics through the ballot box, has probably contributed too. But do such changes have any impact on the ground?

There is certainly a great deal of hype surrounding the local content provisions – a virtual local content rush – at the national level, as state institutions and private-sector actors position themselves to benefit from the opportunities that may arise. The national oil company, TPDC, also pushed for tough local content requirements, which it hoped to use to increase its capacity (interview with government official, 27 April 2017). A Local Content Department was first introduced under the National Economic Empowerment Council, initially as part of the Prime Minister’s Office but later moved to Energy and Water Utilities (EWURA); it aims to coordinate the relevant activities in the country as a whole. The Association of Tanzanian Oil and Gas Service Providers (ATOGS), chaired by a former chief secretary and inaugurated by the Vice President, was also established to prepare the private sector and monitor progress. However, such interventions are more focused on national than local actors, and it remains to be seen whether the latter will benefit to any significant extent. We remain sceptical, as the interests of the country’s political and economic elites seem to have priority.
By comparison, the enforcement of the CSR provisions, which will almost exclusively benefit local populations, has received less attention. Most companies do engage with local populations in various ways, some more structured than others. The provision that companies must pay a service levy amounting to 0.3 per cent of their annual gross revenues that came into force with the Local Government Finances Act of 1982 (Ngowi and Potts, 2019) is upheld and administered by the local district and municipal authorities. Furthermore, some change is observable in the interface between the legal and regulatory requirements and company engagement, though not always to the advantage of the local populations that are directly affected by gas production. In Kilwa District, due to the new CSR provisions in the 2015 Petroleum Act that require the development of a CSR plan in collaboration with local district authorities, a less direct relationship between the population on the gas-producing Songo-Songo island and the producing company has developed. In Mtwara, these provisions had not led to any significant changes at our last visit in 2017, where some CSR was still largely being decided by the companies themselves in dialogue with local village authorities. There, however, the district authorities also chose not to earmark funds for host villages, which were opposition strongholds, when distributing the revenues from the service levy on activities in the district. Supposedly, however, this practice had been questioned and was being reconsidered (interviews with local leaders, 28 September 2017).

7. CONCLUSION

Systematic empirical research into the role and influence of local populations on petroleum and related investments has been limited. Most attention has been paid to the obligation of international oil companies to ensure local benefits through CSR and local content requirements. Based on empirical research in mainland Tanzania, this chapter has sought to unpack the broader repertoire of actions that local populations may employ to influence projects in areas where gas and gas-related projects are being implemented. Our findings point to more diverse processes and outcomes than are often depicted. First and foremost, exchange relations between local populations and ruling elites are more important than is often acknowledged in much of the literature. An important element in the Tanzanian case is the growing role of state institutions in facilitating and conducting economic activities as part of the country’s growing resource nationalism.

The chapter has focused on specific projects, as well as the politics that structure them. Overall, it has revealed more politicised processes than are often acknowledged in the literature. It identifies three main ways in which local populations seek to influence investment processes and increase the benefits they receive from projects, namely resistance and riots related to the
ownership of resources; legalism from below, which particularly targets the terms under which land acquisition is carried out; and voting behaviour, which aims to reward or punish those political leaders who are in a position to influence the overall institutional framework that structures investments. All these interventions target the state authorities more than the international oil companies. Although the attempts to influence specific gas projects have had limited effect, the more politicised interventions seem to have had some impact.

In Mtwara, local people put pressure on the ruling politicians through protests and riots, as well as with their votes, signalling that the legitimacy of their rule was wearing thin. This contributed to the legal changes that aimed at making local content and CSR more ambitious and binding. However, the political and economic elites seem to pay more attention to the enforcement of the local content provisions, which offer opportunities nationally, than to the aspects that would benefit the gas-producing areas. Local populations have received some support in terms of social services and revenue, but there is a need to enforce the service levy and for CSR to be provided systematically in order to build local capacity that can help ensure that local content also focuses on local populations at the village and district levels. Continued pressure by local populations may be required to make the latter happen. However, the space for such pressure diminished when the late President Magufuli came to power in 2015, and it is too early to say if his successor, President Samia Suluhu Hassan, will change anything. She has signalled more openness towards local populations in expressing their grievances, but she has also insisted that she is no different from Magufuli and that she is continuing where Magufuli left off (Citizen, 2021a and 2021b).

NOTES

1. Fieldwork was conducted with a focus on planned and ongoing projects, which were typically underway before authoritarian tendencies gradually grew stronger in Tanzania from around 2015 onwards. This paper therefore analyses events that took place in contexts of increasingly competitive elections and does not really cover the dynamics under the late President Magufuli.

2. Around 2010, the Nigerian Dangote Industries initiated a project to establish a major cement factory just outside Mtwara town in southern Tanzania. The site for the construction of these plants was chosen because of rich limestone deposits in the area and its proximity to local gas finds. Though delayed, gas eventually came to fuel the factory.

REFERENCES


