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Addressing the impacts of large-scale land investments: Re-engaging with livelihood research

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ABSTRACT

What started as a media-driven hype about the global land rush has developed into a well-established academic debate on land governance and an important domain for policy intervention. Research over the past decade has deepened our understanding of how land, water and forests, which were once considered to be local assets and the sources of livelihoods, are transformed into global goods and the focus of capital investments. We are now clearly aware that such transformation generates significant impacts on the livelihood security of vulnerable groups. In response to this, a variety of policy interventions have been devised to minimize the negative impacts ('do not harm') and create new opportunities ('do good'). Yet, it is still unclear how actual policy implementations play out on the ground, what the real impacts are at the local level and whether these interventions help people to improve their livelihoods. In this paper, we present an overview of the existing intervention approaches and their theoretical underpinnings, and discuss how to optimize the developmental outcomes. We argue that the once popular livelihood research framework should be revised and then incorporated more robustly in the existing intervention approaches, as it could help investors and governmental actors to engage in making their investments more relevant to local development.

1. Introduction

Since the start of the global land rush in around 2007, landscapes in the global South have undergone enormous transformations that have had important implications for people's livelihoods (Archambault and Zoomers, 2016; Borras and Franco, 2010, 2014; Carmody, 2011; Cotula et al., 2009, 2014; Deininger and Byerlee, 2011; Kaag et al., 2004; Zoomers et al., 2016a, 2016b). Estimates of the total area affected by large-scale land investments in food and biofuel vary considerably in time and between different sources.[1] The Land Matrix, a database containing information about land investments involving more than 200 ha for different purposes (e.g., agriculture, conservation, forestry, industry, renewable energy and tourism), shows an increase from 62 million hectares in August 2015 to more than 73 million hectares in December 2016 (including intended and failed deals) (www.landmatrix.org, accessed 27 December 2016). Even though it is difficult to make an accurate estimate of the total area involved, there is no doubt that large-scale land investments involve millions of hectares globally, and the figure is still on the rise, especially when taking into account large scale investments in infrastructure and urban land development, not included in existing data bases (Zoomers et al., 2016c). It has become evident that land as a local and place-based asset has become a global good for investment (Li, 2014). Not only foreign investors but also domestic investors and local elites are involved in this transformation, with the latter parties often acting as intermediaries between foreign actors and the local context in which land is embedded (Sassen, 2013).

In other words, today we are fully aware that a large variety of actors engage in transforming landscapes for various purposes (Kaag and Zoomers, 2014; Scoones et al., 2013). Scholars have been debating this transformation primarily to make an assessment of its consequences for local development (Borras and Franco, 2010; Cotula et al., 2009; Cotula, 2012; Deininger and Byerlee, 2011;

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[1] Since 2008, many efforts have been made to quantify the volume of the global land rush. In 2009 the International Food Policy Research Institute (IFPRI) estimated that between 15 and 20 million hectares of farmland in developing countries had ended up in the hands of external investors since 2006. The World Bank report claimed 57 million hectares worldwide. Friis and Reenberg (2010) reported between 51 and 63 million hectares in Africa alone; and the GRAIN database published in January 2012 quantified 35 million hectares, although stripping out more developed economies reduced the amount in the GRAIN database to 25 million hectares (www.GRAIN.org, November 2013).

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Evers et al., 2013; Hall et al., 2015; Kaag and Zoomers, 2014). In the beginning, there were two sides to the debate: investors and organizations such as the World Bank stressed that many of the host countries (particularly in Africa) had large areas of empty land that could be used to produce food and biofuel (World Bank, 2009) and that investments would promote the countries' economic growth by introducing technology, creating employment and contributing to solutions for the energy and food crises. Their opponents – organizations such as La Via Campesina, the Oakland Institute and the UN Special Rapporteur on the right to food – criticized this view by showing the adverse effects for local communities, mostly from a human rights perspective (e.g. de Schutter, 2009). They argued that large-scale land investments harm local populations who are often not properly informed or consulted about the investments or are even forcibly displaced from the areas where the investments are being made (Wolford et al., 2013; GRAIN, 2008). Thus, large-scale land investment came to be seen as neocolonialism and was labelled 'land grabbing'. A large number of case studies started to illustrate the negative impacts of large-scale land investments on local development, in the form of dispossession as well as the destruction of the natural environment and commons. These studies also showed that even though some employment opportunities were generated, the work was often given to outsiders with higher levels of education (Oakland Institute, 2011).

Consequently, the advocates of large-scale land investments had to accept the pressing need to address the negative impacts of such investments. Over the last decade, international organizations, governments, NGOs and businesses have been seeking ways to minimize the harmful effects of large-scale land investments while optimizing the positive developmental impact, which leads to inclusive development. According to the first Sustainable Development Goal, inclusive development should 'leave nobody behind' (United Nations, 2016). This means that the global investment agenda needs to adopt ways to benefit not only investors but also those who are affected in various ways by the investments.

In 2010, a consortium of international organizations including the World Bank Group and the Food and Agriculture Organization (FAO) of the United Nations, initiated the drafting of the Principles of Responsible Agricultural Investment ('RAI principles'). The World Bank published the code of conduct for investors to follow for the purpose of preventing land grabbing was presented in the same year (Borras and Franco, 2010). Building on the RAI principles, the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests were officially endorsed in 2012 (FAO, 2012). By emphasizing the need for consultations and consent-building between the various actors, including local populations, the Guidelines are assumed to help prevent land grabbing and to contribute to fair and equitable benefit sharing. In addition, many efforts have been made (and large sums of international donor money invested) in the sphere of land administration and land titling, because tenure security is essential if people are to protect their rights and be able to negotiate with investors and governments, which often support the investors.

Despite these interventions, it is still unclear how policy implementations play out on the ground, at least to minimize the harm; or, more precisely, how the 'principles of investor and state responsibility' work to secure and enhance the livelihoods of local households and communities. This lack of clarity presumably arises because policy frameworks tend to assume that a single investment event generates multiple outcomes, which are very difficult to assess in practice as the causality is lost in the impact assessment process. In reality, as Ribot (2016) notes about the impact assessment of climate change, various causal factors are magnified by a single event (in this case, investment) and affect how people make their livelihoods. This means that instead of striving to pin down what impacts are caused by the investment, we need to have a framework to identify the original political, economic and social conditions in which local household livelihoods are embedded and to assess what aspects of investment activities exacerbate or improve these conditions.

In this article, we first give an overview of how approaches aimed at making large-scale land investment less harmful and more beneficial for local people, address the multiple impacts of the investment. We identify various types of land investment in Asia, Africa and Latin America, namely investments in agribusiness, nature conservation and tourism, and urbanization and infrastructure development. We outline ways that existing approaches make investments relevant for local development, and argue that a more holistic assessment of people's livelihoods is necessary as a starting point, not only to clarify how people become vulnerable in the first place to such an extent that they are negatively impacted by investments, but also to understand people's capacities to cope with the vulnerability and to generate an alternative agenda both on their own and in collaboration with investors.

Such an assessment includes a re-examination of the meaning of the term 'livelihood' understood as that which constitutes a person's quantifiable and non-quantifiable assets (e.g. Wallman, 1984), taking into account people's entitlements and differentiated access, not only to tangible capitals but also to capabilities to realize their different sets of aspirations and priorities (Sen, 1981, 1999). We argue that once popularized, livelihood research could be useful for the analysis of large-scale investments. We conclude by emphasizing that large-scale land investments are only inclusive and relevant for local development when policies address all aspects of people's livelihood security while differentiating between different groups.

2. Existing approaches

Over the last decade, large-scale investments in land have mainly been made in three sectors, namely agribusiness, nature conservation and tourism, and urbanization and infrastructure development (which includes mining and dams). In each sector, distinctive approaches have been proposed to mitigate the negative impacts of investments on local livelihoods and to ensure a certain degree of benefit sharing between investors and local populations. Here, we review the nature and extent of these approaches and discuss the side effects, especially those concerning livelihood security.

2.1. Agribusiness

The land rush was triggered in around 2007/8 by global concerns about food and energy security, which led to large-scale investments primarily in the production of food and biofuels (oil palm, soy, sugar, etc.). These investments often led to an extensive mono-cultivation and the loss of biodiversity, and areas with common pool resources were enclosed by investors and became no-go areas. Addressing these issues, the FAO's Voluntary Guidelines encourage investors to take measures to reduce the harmful effects of their investments on existing land governance and to improve the developmental impacts. Ensuring equitable land governance following the transformation of agricultural land has led the FAO, the World Bank Group, international NGOs and advocacy groups to push forward the agenda of 'responsible business conduct', whereby private companies ensure environmental sustainability as they operate or contribute to tackling social problems by providing basic infrastructure such as schools and clinics in communities where they invest. Also relevant in this respect, but not so much focusing on land-related issues, are the United Nations Guiding

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