



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.

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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).

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

Principles on Business and Human Rights (also known as the *Rugie principles*).

The responsible business concept is not entirely new, as the concept of corporate social responsibility (CSR) has been popularized in the global South since the first Business Forum during the Earth Summit in Rio de Janeiro in 1992. At the Forum, the role of transnational companies in pursuing sustainable development agenda was discussed, and the companies were considered to be responsible for both the environmental and the social and economic sustainability of the areas they operate in (Chambers, 2004). However, as large-scale investments were becoming a new norm in developing countries, the matter became more urgent, also in relation to the increasing influence of civil society organizations functioning as watchdogs.

Although the Voluntary Guidelines and responsible business conduct are expected to make investments less harmful, they are censured for being 'voluntary', as they lack a framework for official monitoring or control by a potential stakeholder mechanism. As a result, they are criticized for being merely window-dressing or for whitewashing (or rather greenwashing) the investors' businesses as usual. Moreover, 'investment contracts have not commonly included grievance mechanism provisions', and when business owners behave irresponsibly, local populations seldom have a chance to officially file their complaints (International Senior Lawyers Project and Columbia Centre on Sustainable Investment, 2016: 21).

Thus, in addition to emphasizing responsibility of the investors to make their businesses less harmful, the debates on agribusiness investments increasingly focus on the importance of inclusive business models. That is, instead of a business publicizing its additional efforts to be responsible, business models themselves should be socially responsible, in such a way as to improve the labour and living conditions of those who are directly involved in the investments. These people include local populations who had to concede their land for the investments or those who become contracted for the production (Schoneveld, 2013).

In inclusive business models, local farmers – usually smallholders with official or customary land tenure – are incorporated into the value chain. As we typically see in sugarcane production (as well as in coffee, cacao and non-traditional export crops such as sesame, etc.), inclusive business models create new jobs and income opportunities and lead to smallholders being contracted as outgrowers. Lacking commercialization opportunities for their produce, smallholders usually appreciate such contract farming and local sourcing arrangements. In addition, agribusinesses also provide training for smallholders to introduce new farming techniques and knowledge of crop varieties. If contracts, for example, allow farmers to grow their own crops in addition to the contracted crops, farmers can utilize the surplus inputs or new technologies to increase their land and labour productivity. This in turn increases the local availability of both food and cash crops.

However, some side effects have been reported. First, contracts are often drawn up in ways that are not transparent, and although farmers are usually given time to think about whether to sign, they are not able to negotiate the contents. As earlier studies on contract farming in Africa emphasized, inclusive business models also make smallholders more dependent on the market and thus vulnerable to changes in market prices (Little and Watts, 1994). This has led smallholder movements such as *La Via Campesina* and landless farmers' movements in Brazil, and other advocacy organizations such as *ActionAid International*, to fiercely defend food sovereignty and agroecology agendas to promote the diversification of crops and secure subsistence farming, so that smallholders do not have to depend on markets (Otsuki, 2014). These agendas underscore the reality that, instead of relying on investors for new knowledge

and technology, farmers need comprehensive rural extension services, which could be provided by the state if the state capacity is enhanced.

Inclusive business models also assume that farmers in general need to organize themselves in local associations and cooperatives to increase their bargaining power and prevent unfavourable working conditions being included in the contracts. These local organizations often become arenas of conflict, since inclusive business models can result in internal differentiation as well as corruption, leading to the collapse of contract farming schemes, as seen in Mozambique's soya bean sector (e.g. di Matteo et al., 2016).

In sum, investors in agribusiness are beginning to address their responsibility by establishing inclusive business models based on international principles in order to provide jobs and income opportunities as a way of benefit sharing. Although these models have increased the financial capital of farming households to some extent, this has often gone hand in hand with new vulnerabilities such as increased market dependency and mono-cropping. To the extent that people benefit (e.g., capacity building, rural extension services, etc.), the focus is very much on the direct beneficiaries, and the rest of the community (including the landless) is often neglected. This limited focus on direct beneficiaries is also seen in land administration projects, which are widely promoted in land investment projects.

2.2. Nature conservation and tourism

The number of large-scale investments in nature conservation and tourism has increased dramatically in the past decade. Forest reserves have been established as a result of the proliferation of climate change mitigation models (e.g. REDD+), as have national parks, including a number of trans-frontier peace parks in Africa (Busher, 2013). While some conservation investments are purely for conservation and the generation of carbon trade (in the case of REDD+), most investments in conservation are simultaneously aimed at developing tourism, such as ecotourism and safari projects. In most cases, the state demarcates the conservation area, which remains public land, and invites investors to develop activities in it. However, conservation areas are often not empty land but land that has long been inhabited by local or indigenous communities. Indeed, many conservation areas correspond to indigenous people's territories, and are designated as indigenous people's reserves.

During the 1990s, large-scale investments and the establishment of conservation areas provoked conflicts in many parts of the world between the state, investors and indigenous communities. Indigenous communities, whether or not they had their own reserves, claimed the right to be informed and consulted about incoming investments so that they could decide on the nature and extent of the activities to be introduced within their territories. This led to the concept of Free and Prior Informed Consent (FPIC) becoming one of the principles of inclusive development (see Fontana and Grugel, 2016 for a detailed overview of the FPIC).

FPIC is a safeguard and not a right. Its objective is to protect the rights of indigenous peoples over the land that they occupy and use. Under normal circumstances FPIC does not extend to non-indigenous communities (even though there is an ongoing debate by organizations wishing to extend this). The introduction of FPIC is often accompanied by the establishment of land rights for the communities based on participatory mapping and land administration, and it is expected to strengthen the legal basis for protecting the indigenous territory. To generate income opportunities through conservation, community-based ecotourism projects have been proposed by conservation advocacy groups or indigenous

peoples themselves. The development of non-timber forest products to further generate commercial activities for indigenous communities has taken place widely, especially in rainforest areas (Ros-Tonen, 2007).

However, as studies on ‘fortress conservation’² have shown, investments in conservation have often entailed the displacement of local communities from conservation areas, especially those in Africa demarcated as game reserves. Fortress conservation is an approach ‘that seeks to preserve wildlife and their habitat through forceful exclusion of local people who have traditionally relied on the environment in question for their livelihoods’ (Brookington, 2002: 1). FPIC is expected to help indigenous people who are forcefully excluded from conservation areas to obtain fair compensation and support in reconstructing their livelihoods. In strengthening the practice of FPIC, since the mid-1990s the International Conservation Union (IUCN) and the World Bank have set up a series of “involuntary resettlement” guidelines. These guidelines dictate the need to provide fair compensation, new housing and infrastructure, and secure livelihoods to prevent resettled communities from becoming impoverished (McDowell, 1996).

Yet, one of the limitations of FPIC is that it is largely voluntary. Some countries (e.g. Mozambique) do oblige investors to conduct an official consultation process before any business takes place, but where there is no legal framework, this practice is merely recommended by non-binding international guidelines. In addition, the process that leads to the legalization of FPIC in national legal frameworks can generate new conflicts, mainly over the formalization of customary and communally owned land (Fontana and Grugel, 2016). Formalization is increasingly seen as a new form of land grab, as the state defines the ways that land can be used and owned, which sometimes conflicts with the indigenous traditions and interests (e.g. Kelly and Peluso, 2015).

Moreover, even if consultation does take place and the community agrees to resettle, people can end up in more marginal locations or receive insufficient compensation to fully rebuild and develop their livelihoods. In some cases, because of the FPIC, people can be considered to have left their homes voluntarily, and thus their bargaining power is reduced, even though the distinction between what is voluntary and what is involuntary is extremely difficult to establish in the case of fortress conservation (Cernea and Schmidt-Soltau, 2006). In addition, the sharing of benefits derived from tourism development is often limited at best, unless communities are fully supported by informed and professional advocacy organizations when negotiating with the investors.

Thus, investments in conservation are becoming increasingly contentious since they often involve resettlement and compensation. Even if FPIC is practiced or resettlement is not involved, the equal benefit sharing is difficult to assess in the first place. Unlike agribusiness, the tourism sector can seldom directly incorporate local populations in the business models unless indigenous tribes agree to become tourist objects employed by companies, or the carbon trade through emission projects such as REDD+ actually generates income and it is distributed. It is therefore unlikely that the financial capital of farming households is directly increased as a result of investments. At the same time, as they involve more negotiations over land governance, examples from Mozambique show that local people could become more aware of their own development (Otsuki et al., 2017), opening up the possibility of new agendas for collective action, thereby increasing political and social capital.

2.3. Urbanization and infrastructure development

Investments in mineral extraction and infrastructure development, including dams, and rapid urban development are responsible for the largest land grabs and lead to the irreversible destruction or transformation of landscapes (Zoomers et al., 2016c). As the follow up of the Habitat III conference (and the proclamation of the new urban agenda), urbanization and large-scale infrastructure are becoming one of the largest investment targets and we therefore urgently need to deepen our understanding of the impacts that such investments have. Given the Sustainable Development Goals 9 and 11, much priority is currently given to ‘building resilient infrastructure’ and ‘the creation of inclusive, safe, resilient and sustainable cities’. Investments in urbanization and infrastructure development globally have put land markets under increasing pressure, creating various competing claims from a wide range of actors (Kaag and Zoomers, 2014). In this context, the question is: How to bring current investment flows in line with Sustainable Development Goals 16 (‘promoting peaceful and inclusive societies for sustainable development’) or Sustainable Development Goals 1 (‘leaving no one behind’)?

In general terms, impacts of infrastructure investments can be positive for smallholders or the urban poor who suffer from lack of services (no electricity or sanitary services); or inadequate transport infrastructure to commercialize their produce, go to work or send their children to school. Infrastructure, or urbanization in general, will often generate job opportunities and facilitates mobilities in such a way as to enable rural populations to diversify their livelihood opportunities. In addition, the construction of infrastructure and buildings generates employment and thus increases the physical and financial capital of local populations.

However, investments in urbanization and infrastructure (including mining) often go hand in hand with dispossession and resettlement (and forced eviction) of vulnerable groups who do not receive a fair compensation (Pham Huu, 2015; Nguyen Quang, 2015). In countries such as Vietnam, but also in Ethiopia and Mozambique, there are many cases of forced evictions and displaced people have problems in reconstructing their livelihoods after resettlement. In addition, vulnerable groups are often under pressure also due to indirect effects: urbanization and infrastructure development usually lead to increased land prices. Although this can increase the asset value for local populations, and therefore increase their financial capital, higher land prices can inhibit traditional ways of land use and lead to new conflicts. The land becomes an object of speculation, targeted not only by foreign investors but also by domestic elites and other influential outsiders who enter and occupy the land. Likewise, the newly created jobs often go to outsiders who have a higher education or skills related to urban development or mineral extraction, or can operate the relevant machinery. In other words, immigrants can take over jobs even though the investments are meant to contribute to local livelihood security and enhancement (Otsuki et al., 2016a).

Another reason why large-scale infrastructure and urban land development often go hand in hand with displacement has to do with the fact that projects are presented as urgent and inevitable – local interests are sacrificed for the sake of national or global goals such as economic growth and modernization or climate change. Investments are huge and funding is often coming from large development banks or international cooperation agencies. In spite of requiring ex ante environmental and social impact assessments (ESIA's), little is known about the consequences for vulnerable groups. Impact assessments often have a short time horizon and evaluation criteria are limited in scope (focusing mainly on the project area); studies are often carried out hastily and even remotely, and they are seldom adequate for capturing the livelihood change, especially in livelihoods that are rooted in

² Fortress conservation is a conservation model based on the belief that biodiversity protection is best achieved by creating protected areas.

new mobilities and translocal development (Sheller and Urry, 2006; Zoomers and van Westen, 2011). Unlike agribusiness and conservation, there are no unified voluntary guidelines specifically for this type of investments, and we will need to look into the potential approaches to the impact assessment in emerging urban areas.

3. Assessing development impacts

The three investment cases outlined above show that attempts are made to enhance development, that is, to maximize the positive impacts while minimizing the negative consequences. However, the cases also show the side effects of these attempts. The primary problem is that in assessing developmental impacts, reference is made to what investments mean for 'local communities', presenting these as a 'territorially fixed, small and homogeneous whole with shared norms' (Agrawal and Gibson, 1999, p. 633). For the sake of policy discussions, communities are seen as all-encompassing groups with common interests and are supposedly willing and able to negotiate with investors and make desirable collective decisions on the basis of FPIC. Local participation is narrowly defined to indicate whether local people are informed and receive fair compensation, rather than to ensure the participation of all parties in a critical debate about whether the investment will be in line with local people's needs and priorities (Zoomers et al., 2016a, 2016b, 2016c). Local and 'inclusive' development is described in terms of income and employment effects for directly affected groups, whereas little attention is paid to other groups and it is taken for granted that investment goals are the point of departure.

Looking more closely at how development is framed, it is clear that existing approaches address investment impacts on land, labour market and the environment, but often in a narrow way without sufficiently taking into account the full range of livelihood changes that they could use directly or indirectly. For example, agribusiness investment can generate income through contract farming, but the impact on food security within the continuity of the existing farming activities, or other income sources, is often unclear. The argument used to justify large-scale investments is often that mono-cropping and the investment in food production can lower food prices and thus increase local populations' access to food, but the large-scale food production often does not necessarily accord with local eating and farming culture or produce the traditional foodstuffs that are indispensable to people's everyday lives (Botelho et al., 2016). Likewise, FPIC usually leads to monetary or in-kind compensation, but invisible losses – for example, loss of access to ancestral and spiritual spots, such as cemeteries or shrines, within conservation areas – is seldom properly addressed (e.g. Witter and Satterfield, 2014). Additionally, in the case of investments in urbanization and infrastructure, it is hard to define how indigenous or local populations are to be compensated for what types of losses and how to ensure benefit sharing.

In other words, the current assessment of investment impacts is rather shallow: impacts are framed on the basis of specific assumptions about 'what is important' held by investors and the governmental agencies promoting the investments, and 'development impacts' are reduced to costs and benefits. They are framed as a sum of employment and income effects, minus the loss of land and biodiversity. In assessing the impacts, most of the focus is on groups of 'directly affected' people (i.e. 'beneficiaries' or 'displaced'), and the wider social and economic context is ignored. Most of the attention is paid to what is happening at the investment hotspots, and we do not know much about what is happening to the 'bypassed' groups and places that are disregarded by the investors and governmental agencies. To the extent that benefits

are provided, this is usually expressed in 'number of jobs' or 'extra income'; not much attention is paid to whether such benefits will help local groups to 'lead lives that they value' (Sen, 1999) based on their cultural, social, economic and political activities.

Comparing this picture with available studies on local livelihoods, it is clear that important dimensions are being overlooked in current discussions. As Borrás and Franco (2013: 1727) point out, such concepts as 'local communities' or 'local people' used in impact assessment studies 'conceal more than reveal the uneven and differentiated impacts of land deals on such communities and people. Conceptual lenses around class and other parallel and/or overlapping social divides are thus indispensable.' Individuals and households, as they belong to different parts of the social texture within and beyond a community, can indicate how the investment impacts are felt differently in the process of making a living on the ground.

4. Re-engaging with the livelihood approach

To understand the impact of large-scale land investments, and to find ways to optimize the developmental outcomes, it is important to deepen our understanding of the full range of livelihood changes that are taking place 'under the radar'. Current policies are largely based on assumptions and offer a limited number of solutions: local people are described as traditional farming populations or indigenous groups, whose main interest is to stay on the land and whose main priority is to obtain secure tenure rights. To the extent that local people are negatively affected (land loss), solutions are offered in the form of financial compensation. The normal resettlement practice is to transfer displaced communities to nearby places (as nearby as possible) and offer them comparable plots of land. However, we know that many of these communities become worse off in terms of the quality of the land and often end up in relatively isolated places, and the compensation they receive is often not sufficient to allow them to reconstruct their livelihoods (Pham Huu, 2015).

Today, some 10 years after the start of the global land rush, it is time to critically review assumptions underlying the debates and reassess the extent to which conventional policies match the reality on the ground. Are the assumptions realistic? Or is there a need to adapt policies or develop new ones?

In order to understand how and why local communities are impacted positively or negatively by large-scale land investments, we argue that the Sustainable Livelihood (SL) Framework, will help to make a holistic assessment of local impacts, moving away from narrow and static definitions of poverty. Numerous scholars engaged in livelihood research, which was very popular in the 1990s, have shown that 'the poor' cannot be seen as a homogeneous group, and that livelihood strategies are extremely diverse and dynamic (Carney, 1998; Bebbington, 1999; Chambers and Conway, 1991; De Haan and Zoomers, 2003, 2005; Scoones, 1998; Zoomers, 2008).

There are a number of SL frameworks that have been developed and adapted by donor agencies, NGOs, and research organizations. One of the most well-known is DFID's framework (Scoones, 1998), however, the same general principles apply to all: All of the frameworks start from the assumption that people are put centre stage; people are agents who actively shape their own futures. Instead of focusing on what poor people lack (e.g. land, as is often the case in discussions about land grabbing), the attention is focused on what people are entitled to (Bebbington, 1999; Rakodi, 2002; Sen, 1981). Livelihood research is grounded in the idea that people's livelihoods largely depend on their access to the different types of capital (which form the basis for their livelihoods): human capital (skills, education), social capital (networks), financial capital

(money), natural capital (land, water, minerals) and physical capital (houses, livestock, machinery, irrigation infrastructure). Cultural capital is sometimes added to emphasize the historical process of livelihoods; or the physical or financial capital is replaced by produced capital (De Haan and Zoomers, 2003, 2005).

“Livelihood” refers broadly to a means of making a living, and ‘comprises the capabilities, assets (including both material and social resources) and activities required for a means of living’ (Chambers and Conway, 1991: 6). According to Bebbington (1999: 2022): A livelihood encompasses income, both cash and in kind, as well as the social institutions (kin, family, village), gender relations, and property rights required to support and to sustain a given standard of living. A livelihood also includes access to and the benefits derived from social and public services provided by the state such as education, health services, roads, water supplies and so on.

The term “sustainable” refers both to the characteristic of a livelihood to endure the various shocks and uncertainties likely to be encountered in the environment, and to avoid contributing to long-term depletion of natural resources (Chambers, 1987, in Scoones, 1998). Livelihood research has helped to show how people cope with stress and changes (by substituting one capital for the other and making flexible combinations). For example, if a person does not possess land to cultivate (natural capital), she will try to purchase a parcel (financial capital) or enter into sharecropping relations through her network of social relations (social capital). Many poor households are in fact characterized as having ‘constructed an increasingly diverse portfolio of activities and assets in order to survive and to improve their standard of living’ (Ellis, 2000: 15). Multitasking and multilocal livelihoods are often used to compensate for insufficient income or deal with temporary crisis situations. It is recognized as the most common way to escape poverty, cope with insecurity or reduce risk.

Given this knowledge about sustainable livelihoods, and returning to the question of how to optimize the developmental impacts of land investments, it is clear that in current discussions (and policy goals, such as inclusive development and leaving no-one behind) the agency of people and the diversity of livelihoods are largely overlooked.

We should accept that people have different priorities and different livelihoods, as there are many different ways to optimize the developmental outcomes of land investments, ways that go beyond the current set of policy measures aimed at providing people with land titling, or offering financial compensation, etc. According to Chambers and Conway (1991: 6), ‘a livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.’ The ways in which people respond, and their resilience, depend on their total portfolio of livelihood assets in combination with their priorities and aspirations; as well as their ‘bundle of powers’ (Ribot and Peluso, 2003). For example, people who lose their land (and do not have power to gain, control or maintain access to resources) have various options: they could rely on their social networks (and ask family or friends for financial support) or get access to land elsewhere based on sharecropping relations; others (who have physical capital, such as a lorry or a tractor) might prefer to earn their incomes by offering services or opening shops. Other people might decide to move away or to migrate as part of their livelihood diversification strategy (Ellis, 2000); sending remittances will help significantly increase the financial capital of those back home. Whether people suffer (or benefit) from resources very much depend on their access to power and *ability* to derive benefits from things’ (Ribot and Peluso, 2003: 153).

Adopting the SL framework (and taking into account that people’s ability to benefit from resources will very much depend on

bundles of power) will help us to ‘unravel the fuzzy relation between globalization and local development from an actor point of view’ (De Haan and Zoomers, 2003) and will contribute to a better understanding of how people deal with global challenges, their active roles in exploring opportunities and their coping strategies when confronted with externally driven change. It can prevent people from being portrayed solely as victims of new dynamics coming from above (‘land grabbing’). The impacts of the investments are not only felt in the material aspects of life from the perspective of specific, locally bound situations, because a livelihood is multidimensional, covering more than natural, physical and financial capitals. Local transformations in relation to the ongoing landscape transformations can only be understood through the holistic nature of livelihoods, which must be secured not only through responsible land governance, but also through comprehensive social and economic policies that guarantee the poor’s access to basic services and sources of livelihoods under various conditions.

Re-engaging with this livelihood approach will highlight possible ways to fill the gaps in the current framing of the impacts of large-scale investments. It will help us to gain a better understanding of the diversity that exists within a local community; and also enables us to descriptively (rather than prescriptively) grasp how people live their lives and what resources they are entitled to (Leach et al., 1999; Sen, 1981; Wallman, 1984). By describing what types of capital a person has access to, we come to understand the existing endowments and capabilities. Furthermore, as a livelihood is essentially described and measured within a household unit, it will open the black box of intra-household decisions, engendering an increased awareness of diverging positions within a household (Hart, 1997). Rather than being harmonious entities pursuing an optimal balance, individual household members often pursue individual ways to improve their situation by diversifying their income source or by moving to a new location. Indeed, in many cases, traditional solidarity-based principles of pooling incomes, consumption and labour power within households have been weakened considerably. This is because ‘variations in personal capacities and motivation affect the interrelationships among the various activities as well as the degree of internal cohesion. Conflict and competition may arise between activities and among members of the household’ (De Haan and Zoomers, 2003: 354). What benefits the individual, does not need to benefit the family or the community, and vice versa. Within a household, its members of different genders and generations have different priorities, and their access to assets can be highly unequal.

Drawing on this livelihood approach helps not only to better understand the differentiated developmental impacts of realized investments, but also to indicate what kind of investments need to be made in addition to existing land investments in food, biofuels, nature conservation, tourism and urbanization. In other words, to build and improve livelihoods requires not only inclusive businesses, monetary compensation and land rights, but also investments in human and social capital, training and an enabling environment that provides opportunities to develop diverse livelihoods. The social and environmental impact assessment practices should strive to clarify this need for additional investments by taking more participatory approaches and involving people who experience a lifecycle of investments (Estevez et al., 2012). The additional investments should be used to diversify the economy, improve human resources, and create alternative employment beyond the business models in such a way as to reflect the diversity identified through the livelihood survey. Inclusive business becomes truly inclusive when smallholders have the freedom to choose the lives they value and aspire to, with or without contracts with agribusinesses.

At the same time, however, along with globalization (and the increasing interest of investors), local development is increasingly

driven by outsiders: external actors (investors, the state and migrants) have leading roles in determining the direction of development (Sheppard, 2002; Zoomers, 2010). This goes hand in hand with processes of 'foreignization' moving away from locally-driven development. If we take people's livelihoods seriously as what constitute their lived-in places and landscapes, the capacity of local groups to take over the sense of developing their own plans becomes the centre of attention. We could then assess how local people engage with the foreign as a part of *their* initiatives in such a way that investments are directly in line with local needs and priorities.

5. Conclusions

As a consequence of globalization, local development has increasingly become influenced from the outside, especially since the mid-2000s. Places worldwide have become connected through different types of flows shaped by large-scale foreign investments, as well as through remittances from migrants, money sent by new charities and the money spent by tourists. In the context of the newly emerging geographies of flows of capital and people, rather than depending essentially on local resources, livelihood opportunities are to a large extent determined by translocal relations, development corridors and development chains (Zoomers and Van Westen, 2011). Local development and livelihood opportunities cannot be understood without considering the dynamics of the various networks in which people participate.

In this paper, we have argued that large-scale investments in land for food and biofuels, nature conservation and tourism, and urbanization and infrastructure development have changed the ways in which local livelihoods can be improved. Living in networks and having new linkages, people might be offered new income opportunities, but they also face the risk of losing their land or being displaced, which restricts their ability to escape from poverty or deprivation of capabilities. In such a context, development is to a large extent a matter of dealing with the foreign; outcomes will depend on whether people have the capacity to negotiate and are capable of consensus building and forcing outsiders to fulfil promises and expectations. Development is about being able to plug in at the right time, jump on the right train and keep it on track (Zoomers et al., 2016b).

Existing approaches to assessing the impacts of investments on local development often stop at the level of 'local communities', focusing on whether the people affected have benefited in terms of employment and income generation, or whether the inflow of money has resulted in the loss of natural resources or displacement. By defining development as expanding the choices people have to lead lives that they value, we have shown that there is a huge gap between the investment-driven processes of 'foreignization' that are currently taking place, and 'development as a freedom' (Sen, 1999). We have argued that to fill the gap requires a renewed engagement with livelihood research, because in understanding the consequences of the global land grab for local development, it is important to have a closer look under the radar. Rather than focussing on people who are 'directly affected' or on land related issues (as is often done in land rush related policies), it is important to pay more attention to the diversity of the involved actors and their livelihoods and to the process through which they respond to and act on the variety of coping mechanisms. It is important to better understand how local people use various capitals in different locations, since local people are usually involved in multitasking and are increasingly dispersed over multiple areas.

Whether local people are able to benefit from large-scale land investments (or the commodity boom) will depend greatly on their

capacity to find a way to make investments work to their own benefit. Taking livelihoods as a starting point, we argue that inclusive development should be studied as the process by which investment agendas come to be included in people's agendas to improve their livelihoods, rather than the current process by which people are included in business plans or consulted to facilitate the business operating on their land. In other words, local benefits depend on the capacity of local groups to develop their own plans and to attract investors who are willing to bring in necessary investments in line with local needs and priorities. This means that assessing the impact entails assessing capacities and capabilities. Policy concepts, such as inclusive development, suggest that the benefits of large-scale land investments can be shared in such a way that nobody is left behind. True, inclusive business models might help local smallholders become a part of value chains, but they will not satisfy the need of the landless. And policies aimed at creating inclusive cities might help the urban poor, but they will not help rural dwellers in peri-urban areas, because they will be removed. Inclusive development is exclusionary by definition, since as we strive to include certain segments of poor people, we always risk excluding the others.

Thus, instead of inclusive development, we propose a genuinely bottom-up approach as outlined in livelihood research: supporting local groups in their capacity to build up their own portfolios of plans that reflect their own needs and priorities. As soon as consensus has been reached among individuals, households and groups, investors can come in, provided that they are willing to accept the set of established rules. This might help to make large-scale land investments set the stage for development as freedom. After all, development is about shifting frontiers and competing claims that are often incompatible. But space is not a container. It can be reconfigured as people negotiate and work towards stretching, diversifying and re-creating new livelihood opportunities across space.

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