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Neo-colonialism or responsible investment? Analysis of impact of large-scale land acquisitions in Global South countries

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Abstract

Large-scale land acquisitions (LSLA) for agricultural investment in Global South countries skyrocketed following the food, financial and energy crises of 2008 – 2009 and have been growing in number and volume since then. There has been intense debate between advocates and critics on the impact of large-scale agricultural investments (LSAI) and this debate is far from being over. While critics perceive it as a form of neo-colonialism, designed to gain control of the largest resource of developing countries, the advocates believe it is an important source of investment capital, technology and rural employment. between supporters and critics of the practice. In this article, we assessed the effects of LSAI in Nigeria, one of the top ten recipients of land investments in sub-Saharan Africa. Building on a recent survey data collected from 1,170 households, combined with qualitative focus group discussion and key informant interviews in Shonga district of Kwara state and applying the propensity score matching (PSM) evaluation approach, we compare agricultural and livelihood outcomes of impacted and non-impacted households. We find significant differences in livelihoods outcomes of the two groups of households. The LSAI negatively impacted on household's farmland access, agricultural output and assets but positively affect agricultural productivity and wage employment. We conclude that LSAI impact remain mixed, while it can be more beneficial when policies that minimise the shocks associated with farmers' displacement and expropriation are implemented. For instance, provision of alternative land that is suitable for farming and monetary compensations to assist displaced farmers get back to the pre-displacement production status could bring transformational change. Complementary investments on rural infrastructure and markets as well as technology transfer and training programme for smallholders by land investors could also ensure that benefits are generated in the short to medium terms. These will promote the responsible agro-investment principles.

Keywords: Large-scale agricultural investments, large-scale land acquisitions, livelihoods, neo-colonialism, Nigeria, well-being