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Communities and capital: exploring indian-ethiopian large-scale land investments

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Abstract

Despite the widespread failure of large-scale investments in agricultural land to deliver on their promises, and the mixed evidence on their social and economic outcomes, governments around the world continue to promote such projects as a cornerstone of development strategies.

Ethiopia exemplifies this trend, using both foreign and domestic capital to advance its goals of economic growth, job creation, food security and the extension of state authority over rural areas. The Ethiopian system of state ownership of land is unique and is accompanied by attempts to control investment. However, this control is limited and many land governance challenges are shared with other African countries.

In Ethiopia, a significant proportion of foreign investment is linked to Indian companies producing export crops as well as crops for the domestic market. To interrogate the political economy underpinning these investments, we conducted fieldwork in 2015 on six farms in western Ethiopia - three operated by Indian investors and three by Ethiopian investors. Interviews with company managers, employees, community members and representatives of (non-) governmental organisations helped us understand the investment processes, challenges and benefits for communities, and wage and labour issues.

Ten years later, we follow up on the same cases and actors, using administrative data on all large-scale land investments and a qualitative case study including semi-structured interviews and participant observation. We situate large-scale farms within the historical legacies of agrarian change in Ethiopia. Qualitative content analysis is used to examine the interests and motivations of the state and investors, and how they manage challenges, involve local people, generate resistance, and redistribute costs and benefits.

Keywords: Agricultural labour, decent work, East Africa, land governance, large-scale agriculture, large-scale land investment, plantations, sustainable agriculture