

Facing Criticism

Responsibility, large-scale land acquisition, and its critics¹

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This paper discusses how corporations, investors and agribusinesses involved in large-scale land acquisition (LSLA) respond to actors concerned about LSLA, such as NGOs, local communities, peasant movements, (activist) scholars, and journalists. Over the last ten years, these critics have been very vocal in raising concerns about the responsibilities of investors involved in LSLA – and also of institutional actors and policy makers facilitating the investments. In particular campaigns by NGOs such as GRAIN, Global Witness, and Oxfam have increased awareness among the public about LSLA. The extensive number of academic publications also demonstrates the scholarly attention devoted to the issue. While even more business-oriented media outlets like the *Financial Times* have equally become critical, as its March 2016 investigation titled *The Great Land Rush* illustrates.

Largely absent in most debates, however, are explicit analyses about how corporations respond to the concerns raised by their critics. Starting from qualitative research conducted in Southern Africa, with a particular focus on a large foreign investment in Zambia, this paper demonstrates that many corporations are very concerned about the widespread attention devoted to the negative consequences of LSLA. In the case of the foreign investment in Zambia, for example, the company was clearly susceptible to (global) concerns about LSLA. In response, it has operated relatively responsibly and resettled a number of smallholders residing on the land it purchased in line, or even beyond, international guidelines. As such, what the resettled residents have received as compensation was “quite generous” compared to what was common in Zambia, according to a Zambian consultant who had been

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involved in designing the resettlement schemes. From my interactions with other relevant investors and corporations involved in LSLA and large-scale agriculture, I equally noticed that many are concerned about the potential impact of opposition. Moreover, international guidelines such as FAO's Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), codes of conduct and responsible investment principles are illustrative of the fact that concerns do not necessarily fall on deaf ears. At the same time, many concerns remain – as also illustrated in GRAIN's (2016) *The Global Farmland Grab in 2016: How Big, How Bad?*, the 2016 Land Matrix report on international land deals for agriculture (Nolte et al. 2016), and Global Witness' (2016) *Tainted Lands: Corruption in Large-Scale Land Deals*.

What is evident is that the extent to which an investor/corporation responds to the criticism it (directly or indirectly) faces depends often on its profile (e.g., Rutten et al. 2017). In the case of the foreign investment in Zambia, the company is particularly concerned about the opinion of state institutions and the public in its (European) home country. Moreover, the corporation's wish to tap into public-private partnerships with development (finance) institutions has a mitigating influence. As many institutional actors and donors equally face (political) pressure from NGOs and the like, they may be more sensitive to the reputations of the corporations they collaborate with than investors that operate less in the limelight would be. Accordingly, to maintain the donors' (financial) support the company has to be careful not to make any missteps.

Feeling watched

In addition to investors' profile, the role of the most critical voices in the LSLA debates is also important to understanding the extent to which investors involved in LSLA act responsibly. A large variety of critics may share concerns about the negative impact of LSLA, yet by no means are their objectives and ideas necessarily coherent or based on a singular source of rationale. In a way, there is virtually a continuum from actors that are only marginally critical of LSLA and merely aim to "regulate to facilitate", to actors that prefer to "regulate to mitigate negative impacts and maximise opportunities", and, at the far end, to the fiercest critics whose aim is to

“regulate to block and rollback” (Borras et al. 2013). What the Zambian case reveals is that the fiercest critics play an important role in shaping investors’ responses to the concerns raised. Even though the agribusiness may dispute the claims of a highly critical NGO from its home country, for example, this respective NGO nevertheless shapes its responsibility vis-à-vis rural residents.

Feeling watched and the potential of being accused of land grabbing by its fiercest critics keeps the company on its guard. As an insider said, “the whole issue of global land grabbing keeps [the company] on its feet. It knows that [the critical NGO and others] are snooping around.” Interestingly, in its European home country, a government official working for the ministry responsible for development programs appreciated the respective NGO for similar reasons. Even though he disagreed with the NGO on numerous grounds, he argued that the work of the NGO helps the ministry to sharpen its own policies and sensibilities regarding land issues. In that sense, whether one sides with the NGO’s accusations or not, with its vocal and critical stance it influences debates about responsibility. To a certain extent, this resonates with Scoones et al. (2013: 478) in their response to Edelman (2013) and Oya’s (2013) comments that methodological rigor serves the causes of critics better than relying on problematic evidence:

At the same time, we must be cognizant of the way in which debates in the fast-moving, real world are actually shaped. The contributions of GRAIN, the Land Matrix and others, despite their limitations, have been substantial and important. Rough-and-ready, quick-and-dirty work of this sort is, under certain conditions, necessary.

It should certainly not be ignored that critics do not always base their accusations on empirically sound evidence.² Yet without the international media attention

² It is to note that civil society organizations accused of quick-and-dirty work are not necessarily deaf to the need for more sound empirical evidence. For them it is often as much a learning process as for others. For example, the Land Matrix has been open to concerns about flaws in its methodology and

generated by critics relying on strong statements it would probably have been unlikely that corporations felt the same urgency to respond to the concerns raised. The European agribusiness is clearly aware that it is vulnerable in the face of criticism, whether the criticism is empirically justified or not. While Oxfam, for instance, would certainly have had less leverage in pressing Coca-Cola Company, PepsiCo and Illovo Sugar to take up their responsibility were it not for the rough-and-ready work as well.

Conclusion

Like in the case of many LSLA investments in the Global South, the European agribusiness in Zambia has not been in operation long enough to draw any strong conclusions about its (negative and/or positive) structural impact yet. Notwithstanding, ten years on some lessons can be learned from the Zambian as well as other cases.

With corporate actors involved in LSLA unlikely to disappear any time soon there is an argument to make for critics to collaborate and try to at least mitigate the negative impacts – and shape a sense of responsibility among corporate actors. Yet collaboration with them also involves the risk that corporate activities are whitewashed. In international negotiations, such as in the case of international guidelines, radical views are often disciplined in order to maintain access to the private sector, with radical action being discouraged and certain views purposely left out (Corson et al. 2015: 867-868). Indeed, a manager of Coca-Cola told me that they work with NGOs who are “prepared to engage, and not just stand on the side-line and throw bombs.” To influence the directions taken, however, these “bombs” are very much needed. Only with independent critics that remain very skeptical of consensus and/or collaboration and continue to draw attention to excesses of LSLA do market representatives probably feel the urge to respond. Concerns about negative publicity may keep the lid on, so to speak, both regarding unresolved

has adapted it accordingly (Nolte et al. 2016; personal communication with one of the founding members of the Land Matrix).

concerns and for the purposes of ensuring that guidelines and regulations are actually observed.

On the continuum from highly critical to more cooperative members among the critics, the ones who Borrás et al. (2013) define as those who “regulate to facilitate” and “regulate to mitigate negative impacts and maximise opportunities,” would probably not have felt the same urge, or even existed, if not for the vocal presence in the global debate of “regulate to block and rollback” critics. Quick-and-dirty research and outspoken campaigns, in other words, help to reinforce the existence and potential of those open to engaging with corporate actors – Oxfam, for instance, would certainly have had less leverage in pressing Coca-Cola Company, PepsiCo and Illovo Sugar to take up their responsibility were it not for the rough-and-ready work as well. In that sense, it is not an either-or situation: approaches of different critics are not mutually exclusive, and may to a certain extent reinforce one another (see also Edelman and Borrás 2016). What tends to be accomplished, then, may not reflect all the critics’ initial goals, but it may nevertheless offer more justice to the ones suffering the most from LSLA than would have otherwise been the case.

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