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Effects of Large-scale Land Acquisition in Rural Ethiopia

The Case of Bako-Tibe Woreda

Moges Gobena

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Swedish University of Agricultural Sciences

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Keywords: Land Acquisition, Livelihood, Food
Security,
Land Grab, Participation, Ethiopia

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Abstract

Currently the large-scale land acquisitions are expanding in developing countries and in particular in Sub-Saharan Africa. Ethiopia is also actively engaged in this global situation. There are limited empirical studies that show the effects of large-scale land acquisitions in the host countries. The objective of this thesis was to identify the perceived effects of large-scale agriculture land acquisition on the livelihood of small-scale farmers in Bako-Tibe Woreda, Western Ethiopia. To this effect, issues of livelihood, food security, sustainable natural resources management and participation were used as guiding concepts. Both qualitative and quantitative methods were used to collect data. The data was collected through interviewing 145 farm households in the two kebeles of Bako-Tibe Woreda. In addition, focus group discussion and key informant interview were employed to gather in-depth insights. Despite the availability of important policies, strategies and proclamations in Ethiopia, the large-scale land acquisition processes were conducted in Bako-Tibe Woreda in a non-participatory way. Particularly the local communities did not participate in the process from the start of the deals up to the land allocation. This thesis concluded that stakeholders' participation was non-existent, deforestation was the major environmental concern, job creation opportunities were low and the contribution to an improved livelihood of the local farmers was minimal.

Keywords: Land acquisition, Livelihood, Participation, Food security, Land grab, Ethiopia.

To my brother Solomon D. Jiru (Mini) that remains in my heart although the untimely death separated us forever! You are in our prayers.

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Acronym and Abbreviations

ADLI	Agricultural Development Led Industrialization
AGRA	Alliance for a Green Revolution in Africa
AISD	Agricultural Investment Support Directorate
Birr	Ethiopian Currency Unit (100 cents)
CAADP	The Comprehensive Africa Agriculture Development Program
E.C	Ethiopian Calendar
EIA	Environmental Impact Assessment
EIA	Ethiopian Investment Authority
FAO	Food and Agriculture Organization of the United Nations
FDRE	Federal Democratic Republic of Ethiopia
Km	Kilometer
GTP	Growth and Transformation Plan
IFPRI	International Food Policy Research Institute
MoA	Ministry of Agriculture
MoARD	Ministry of Agriculture and Rural Development
MoFED	Ministry of Finance and Economic Development
SSA	Sub- Saharan Africa
UN	United Nations
WEPRLAO	Woreda Environmental Protection and Rural Land Administration Office
WMoA	Woreda Ministry of Agriculture

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1. Introduction

1.1. Background

Over the past years Sub-Saharan Africa (SSA) countries including Ethiopia, Mozambique, Sudan, Uganda, Zambia and Kenya have started to lease large areas of land to investors of East Asian and Arab countries (Cotula, *et. al* 2009; Spieldoch & Murphy 2009; IFPRI, 2009). Large-scale land deals may involve from 1,000 to 500,000 hectares and the acquisitions take place in the form of purchases or long-term leases with terms of 50 to 99 years (Cotula, *et. al* 2009; Hallam, 2009). In the international media this phenomenon is referred by “land grabbing”. The Spanish based NGO “Genetic Resources Action International” (GRAIN) was the first group to use the term “Land Grabbing” for these kinds of transactions (Kramer, 2011). Land acquisitions are not new phenomena in Africa, but in fact have historical background. The colonizers in 19th century controlled most of the fertile land in Africa and elsewhere for themselves by pushing the local people into the marginal land (Spieldoch & Murphy, 2009). What is new today is a complex range of drivers of the land deals have exacerbated the situation (Cotula, *et. al* 2009; Spieldoch & Murphy, 2009) and is free from violence but has legal foundations in terms of contracts (Kramer, 2011).

The World Bank supports the large scale farm expansions in the developing world, but also highlighted the risks associated with the current pace and scale of expansions. It advocates the implementation of ‘responsible agricultural’ investment which constitute seven principles (World Bank, 2010). The principles are worked out together with Food and Agriculture Organization of the united nation (FAO), International Fund for Agricultural Development (IFAD), and United Nation Conference on Trade and Development (UNTD). Globally there are 446 million hectares of lands that could be used for expansion of the cultivated area; more than half the land is found in ten countries, of which five are in Africa (World Bank, 2010). The rights to some 45 million hectares of large scale farm have either been acquired till the end of 2009 or are under negotiation and more than 70% of such land has been in Africa (World Bank, 2010).

The economic and energy crisis of 2007 and 2008 , followed by the food price hike in 2008 paved the way for the so-called land acquisition and agricultural investment of farm land in different part of the world in general and in the Sub-Saharan Africa (SSA) in particular (Cotula, *et al.*, 2009; IFPRI, 2009; Smaller & Mann, 2009). The size and scale of the

acquisitions is likely to continue due to (i) the rush towards the production of agro-fuels as an alternative to fossil fuels, (ii) land scarcity as a result of population growth and urbanization, (iii) price hike and global food shortages as demand increases from super economies such as India and China, (iv) scarcity of fresh water in some regions, and (v) increased demand for certain raw commodities from tropical countries (Cotula, *et. al* , 2009; FAO, *et. al* 2010; Smaller & Mann, 2009). As population growth, urbanization and income increases especially in China, India, Latin America and South East Asia, food demands especially of animal products is increasing rapidly. This in turn needs more food, namely cereals to be converted into feed for livestock (Ossevoort, 2011; World Bank, 2010).

While Sub-Saharan Africa (SSA) countries remain the least populated continent, recent evidence shows an increasing economic growth and urbanization. Alliance for the Green revolution in Africa (AGRA) is working on increasing productivity of small scale farmers so that Africa would be less food importer (www.agra-alliance.org/section/about). In order to do these certain investments have to be done not least the strengthening of institutions, policies, infrastructure and financial credit and market. The Comprehensive Africa Agriculture Development Program (CAADP), an African initiative, is working to increase agricultural productivity in Africa (www.nepad-caadp.net/). CAADP has four pillars, the first is aiming at extending the area under sustainable land and water development; the second is increasing market access through improved rural infrastructure and trade related capacities. Accelerating the growth of the agriculture sector by increasing the capacity of private entrepreneurs (including commercial and small-holder farmers) is the aim of pillar two. Pillar three is increasing food security and reducing hunger& improves to food emergency crisis. Pillar four is improving agricultural research, technology dissemination and adoption in Africa (www.nepad-caadp.net/).

Approximately 80% of the food that is produced is used for human consumption in SSA and in particular in Ethiopia the food is produced by the small-scale farmers (WDR, 2008; GTP, 2010). Hitherto there is little empirical evidence that shows the effect of large scale agricultural investments in SSA about the benefit it offers to poor people (Cotula, *et. al*, 2009). This thesis examines the effects of large scale agricultural acquisitions on the livelihood of small-scale farmers in Ethiopia. Between 2004 and 2008, 1.19 million hectares of agricultural land has been leased to foreign and domestic investors in Ethiopia (World Bank, 2010). Little is known about the terms, conditions and benefit that will come out of these investments.

1.2. Overall Objective

While much research is done in the acquisition of large farmland, impact study needs further research (Cotula, *et. al*, 2009). IFAD has also argued that there is little information on the impacts that land deals have brought on the livelihood of the implemented area and country at large (IFAD, 2010). Hence, investigating the complex reality has significant contribution to understand the rural development scenario and its implication to rural people in Ethiopia.

The overall objective of the study is to identify the perceived effects of large scale agriculture land acquisition on the livelihood of small-scale farmers in Bako-Tibe Woreda. The study focuses on the effects on livelihood, food security of the households and the environmental effects of the surrounding area.

Major Research questions

The major research questions include:

- How much land has been acquired by investor in the study area? Who are the investors?
- Which institutions handle the land investment in Bako-Tibe Woreda?
- How do local inhabitants participate in the process of land acquisitions?
- How have households been affected by the large scale land acquisitions with respect to food security and livelihoods?
- How is the employment and income creation of situation changed since the arrival of the land investors?
- What are the observed and likely environmental effects of the land deals?

2. Literature review

2.1. Controversy on Large Scale Land Acquisition in Africa

Recently the debate on the expansion of large scale land investment is hot issue in academic, development and aid organizations, politicians and the community at large. There is a mixed view whether the investment brings meaningful benefit to the local community or not.

Proponents of large scale land investment argue that, the investment flow increases capital in agriculture sector particularly in the developing world, enhances infrastructures expansion, creates more jobs and skill, increases the availability on domestic food supply, increases access to market and foreign exchange reserve and these contributes to “sustained” and “broad based development” (World Bank, 2010; MoA, 2011). However, Andersen argues that if the risks associated with land acquisition unaddressed, could lead to failure to become development opportunity for host countries. These risks are natural resource degradation, loss of indigenous farming practices and increasing food insecurity and conflict (Andersen, 2010:275). The government of Ethiopia argued that large scale agriculture expansion is part of the country’s strategy and policy to achieve the national food security objective (MoA, 2011).

Other critics argue that rather than promoting rural development, it neglects the local rights, exploits the natural resources of the host country and impoverishes farmers not bringing about the promised benefits (Theting, et. al 2010; Kachika, 2010; Grain, 2008). They labeled it as “land grabbing”. As most of the land acquisitions are not growing crops for domestic market but rather to food and energy security for the investors’ country, this seriously affect the food security of the host countries, and exacerbates the problem. As the majority of the host countries are poor and undernourished and have serious weakness in institutional capacity and management of land information (World Bank, 2010; Andersen, 2010).

Current studies conducted in East Africa countries -Tanzania and Mozambique- shows that the large scale agriculture expansion did not bring the promise of building infrastructures, and job creation - in case where farmers were employed the terms of the contracts were set to “bare minimum” (Theting, *et al.*, 2010) and the number of workers were much reduced due to the mechanized operation of the farm (Kachika, 2010). In addition, little attention paid on the gender dimensions of large scale farmland acquisitions, for example women have lost their source of income from “Shea tree” which used for making “Shea butter” in Ghana. The financial compensations do not take into account this gender specific role (Kachika, 2010).

Since women make up half of the agricultural production in Africa, short of addressing their role from key resources and income arising from it could jeopardize development. Moreover, land which used for investments are called “free” and “unutilized” but it is not free. For example, some of the land allocated for foreign investors in Benshangul-Gumuz and Afar regions of Ethiopia were previously used for shifting cultivation and dry-season grazing. These directly affect the livelihood of the farmers and pastoralists (Cotula, *et al.*, 2009).

The other common negative effect is conflict and instability. Some deals have caused political conflicts, such as in Madagascar a 1.3 million hectares land deal with South Korea company led to the overthrow of the government in 2009 (BBC, 2008; Reuters, 2009). Human beings are often killed in conflicts and it ruins infrastructures and hampers the desired development benefits.

Often Land acquisition is undertaken with low participation of the local community and concerned stakeholders (Cotula *et al.*, 2009; UN, 2010). Some major important livelihood sources for the rural community like fuel wood collection, grazing land, and medicinal plants are undervalued; and in some cases nominal compensation was made and water resources use aspect was not addressed in detail (Cotula *et al.*, 2009; Smaller & Mann, 2009). These situations have their own drawback and could trigger conflict in the investment area and have damaging effect on the social, economical, environmental aspect of the country.

Critics like GRAIN, argues that today's global land acquisition is only going to make the food crisis worse. As it pushes agriculture toward large scale monocultures, throwing farmers off the land in favor of machines (GRAIN, 2008). Over use of pesticide and fertilizer can also lead to water contamination (Spielloch & Murphy, 2009). This has damaging effect on the biodiversity and the sustainable management of the natural resources. In strengthening GRAINS view, the World Bank Report in 2010 have mentioned the concerns and stated that “eagerness to attract investor in an environment where state capacity is weak, property right is ill-defined and regulatory institutions starved of resources could lead to project fail to provide benefits because they are socially, technically and financially are non-viable. This failure could result in conflict, environmental damage and resources curse that, although benefiting a few could leave legacy of inequality and resources degradation” (World Bank, 2010: ix).

To control these short comings and tap the opportunities of land acquisitions a win-win approach (dual approach) is forwarded by FAO and other researchers (Von Brauen, 2009;

Cotula, *et al.*, 2009). They argue that the short comings have to be controlled by code of conducts for the investors and the respective (host) countries. Besides, the opportunities need to be facilitated with proper policies in the host countries. As a result, key code of conduct having seven principles is proposed for “responsible agro investment” by World Bank, FAO, IFAD, UNCTAD and other partners serve as a spring-board to bring the desired opportunities in the land acquisitions and responsible agricultural investments. The principles are: respecting land and resources rights, ensuring food security, ensuring transparency and good governance, consultation and participation, responsible agro-investment, social environmental and sustainability.

My argument for large scale agricultural investment in Ethiopia is based on two facts. First, agriculture has power impact in reducing poverty - at least twice than GDP growth coming from outside agriculture for Sub-Saharan Africa (WDR, 2008). The Second fact is that the Ethiopian agriculture is at subsistence level and the majority of the small-holders are using backward agricultural practices (traditional technologies) for cultivation, harvesting and storage. To drag the Ethiopian poor agricultural production and productivity out of backwardness, capital and investment flow have crucial importance. However, large scale agriculture investment can be useful if the land acquisition processes, the socio-economic and environmental vulnerability assessment is handled in the right way.

Effects of the large scale land acquisitions vary from place to place and country to country due to diverse socio-economic, political and environmental factors. However in the past decades, global development aid shortfall, low investments in African agriculture (Andersen, 2010), low agricultural productivity in developing countries (Ethiopia), the 2007 and 2008 and the current, 2011 food price inflation (FAO, 2011) , and climate change have complicated the situation even more. This paper, therefore, believes that capital, skill and technology flow promises an opportunity for agriculture development in SSA and in particular in Ethiopia. To say the investment is good or bad it all depends on the context. We do not speak about bad or good in abstract, for example if the land was given to the investor in degraded area that could be redeveloped by the investor for agricultural purpose it is good. Hence we need to have thorough understanding of the area and the specific situation.

2.2. Ethiopian Agriculture

Ethiopian agricultural sector is at subsistence level, rain fed and compounded by increasing population growth, natural resources degradation (soil erosion), backward agricultural technologies, frequent drought, etc. Land size holding is one of the economic factors attributing to the low productivity of agriculture. According to Central Statistic Authority (CSA), the national cropland holding is about one hectare (CSA, 2010). Agricultural land is not only small in size but also fragmented from time to time due to population pressure and limited availability of nonfarm employments. The country is one of the poorest countries in the world, where about forty percent of its population is living below poverty line, \$1.25 a day and 46 % of the population is undernourished (IFAD, 2011). In 2010 the country ranked 157th out of 169 countries according to human development index/HDI (UNDP, 2010). Poverty is widespread both in urban and rural areas, but it is mostly prevalent in the rural part of the country.

Ethiopia is endowed with diverse natural resource potential and agriculture land is the major one. According to the Minister Agriculture and Rural Development/MoARD (2010), out of 111.5 million hectares area of the country, about 70% of the land is estimated to be suitable for annual and perennial crop production. To date, only 18 million hectares of the arable land (16%) is being used under rain fed agriculture, and irrigation potential farming is also enormous. Its 18 major agro-ecological zones endowment has made the country suitable place for plantation of diverse agricultural products and agriculture expansions.

Cereal production is the most important crop accounting for 82% of the total area cultivated, and 87% of the total crop produced (CSA, 2010). Root crops and Enset (False banana) are also providing important diet in the southern and south western part of the country. They are available in heavily populated parts of the country and their contribution is important especially during drought years and when the total cereal production declines. Ethiopia has not fulfilled its food need as the result of low agricultural production. One major cause of under production is frequent drought. Whenever there is drought and rain fall variation, farmers are often exposed to food deficit because they are largely dependent on climate sensitive agricultural production. According to Ministry of Agriculture, in 2011 alone around 4 million framers/pastoralists are exposed to relief food aid due to the poor performance of rain on 2010 production year. This type of situation has repeatedly appeared in the

agricultural history of the country and has made the country to become the largest food aid recipient in Africa.

To boost the poor performance of the agriculture, the present government is implementing small-scale farmers' intensification extension program. This extension approach is based on "package program" aimed at providing high yielding variety seeds, chemicals and fertilizers, small-scale irrigation development and training and technical supports. The extension program includes rural infrastructures expansion, marketing, finance and capacity building. As the result, the agriculture sector which had been stagnant and not productive enough to feed its people for long is being changed. For example, from year 2005/6 to 2009/10 the agricultural sector registered 8.4% annual growth (GTP, 2010). Despite the agriculture sector growth, there is a strong argument that agricultural production and productivity are lower and agricultural land resources were not efficiently utilized (MoARD, 2010). In line with this, the government has initiated private large scale agricultural investment as supplementary measure to increase and sustain agricultural productivity in the country (MoA, 2010).

2.3. The recent large scale land acquisitions in Ethiopia

Large scale Agriculture sector development is of prime concern to the Ethiopia government. Hence, large scale agriculture acquisition included in the new Growth and Transformation Plan (GTP) (2010/11-2014/15) to increase agricultural growth mainly in the low land parts of the country. Low land places are where the altitude is below 1500m above sea level. Generally a total area of 3.3 million hectares of land is allocated for private investment of large scale farming (MoFED, 2010). Of this amount certain area of land has already been transferred to investors. Recently the federal government is playing a pivotal role in the allocation of large scale farming to "developmental investors". Regional governments are also providing lands if the land size is less than 5000 hectares (MoA, 2011). However, land more than 5000 hectares size is administered by the newly established Agricultural Investment Support Directorate (AISD) within the Ministry of Agriculture (MoA). The directorate will sign lease contracts with investors on behalf of the regional governments. The directorate makes sure their own assessment such as where the land is free from forest, not used by the community and settlement area etc (MoARD, 2010). Then the directorate signs the contractual agreement with the investor on behalf of the regional governments. The directorate issues a letter to the regional states for demarcation of the proposed land to the

investor. Nevertheless most land deals that are operational in the country were not enforced through in the above mentioned procedures and rules.

This process has been criticized by scholars. For example Tamrat (2010) argues that the current land provision by the federal government is based on ‘‘shaky base of the constitution’’ as there is no provision in the constitution that provides the upward delegation of mandate given to the regional states. It is not only the question of mandate, but also it does not give enough room to participate the local community and other stakeholders.

Ethiopia is one of the actors in SSA countries actively leasing out its land resources for large scale agriculture acquisition for investors coming from India, China, Saudi Arabia, Egypt, to name a few. However, domestic investors have also considerable share (Cotula, et al., 2009). The real amount of land acquisition in Ethiopia are considerably varies. For example, empirical study conducted by FAO, IFAD and IIED in Ethiopia and other four African countries, estimated that a total of 602,760 hectares is allocated in Ethiopia alone to investors from 2004 to early of 2009 (Cotula, et al., 2009). This figure excludes allocation below 1000 hectares and pending land application. The latest 2010 World Bank study estimate that 1.2 million hectares land transferred to investors between 2004 and 2008 in Ethiopia (World Bank, 2010). Press report put the figure more than the reported estimated by the World Bank and other institutions. For example, the Voice of America in its report of ‘‘foreign farming in Ethiopia’’ has estimated 2.4 million hectares (VOA, 2010). Whether the figure varies, it indicates that there is an expansion of large scale land acquisition in Ethiopia.

There are many large scale investments in Ethiopia, some estimate about 406 projects have been approved and transferred in 2004-2008 (World Bank, 2010). One of the biggest investors involved is an Indian company called Karuturi Agro Product PLC. This company leased about 11,704 hectare land for a period of 45 years beginning from May 2008 up to May 2053¹.The company paid 135 Birr (about \$8)² per hectare per year and is free from rent payment for six years (contractual agreement, 2008). Karuturi Agro Product PLC uses the leased land for the

¹ Karaturi Agro product PLC is a Bangalore based Indian company that has acquired 300,000 hectare of land for palm oil and sugar cane production in Gambela Regional administration of Western Ethiopia (Bloomberg, 2010).

² One dollar is equal to 17.2895 Birr on 21/7/2011 exchange rate,
<http://bunnabanksc.com/pages/Branches.html>

production of palm oil in Bako-Tibe Woreda³, in western part of Ethiopia. (See Figure-1 for the current administrative structure of Ethiopia).

Land for this purpose comes from either displacing farmers from their holdings, or by paying nominal compensation payments and/or from forest, grass land and bush lands found in the different part of the country (Cotula, et al., 2009).

³ Woreda is the administrative division in Ethiopia. Woreda is composed of Kebeles. Kebele is the smallest administrative unit in Ethiopia. The administrative structures in Ethiopia in ascending order are Kebele, Woreda, Zone, Regional governments and Federal government.

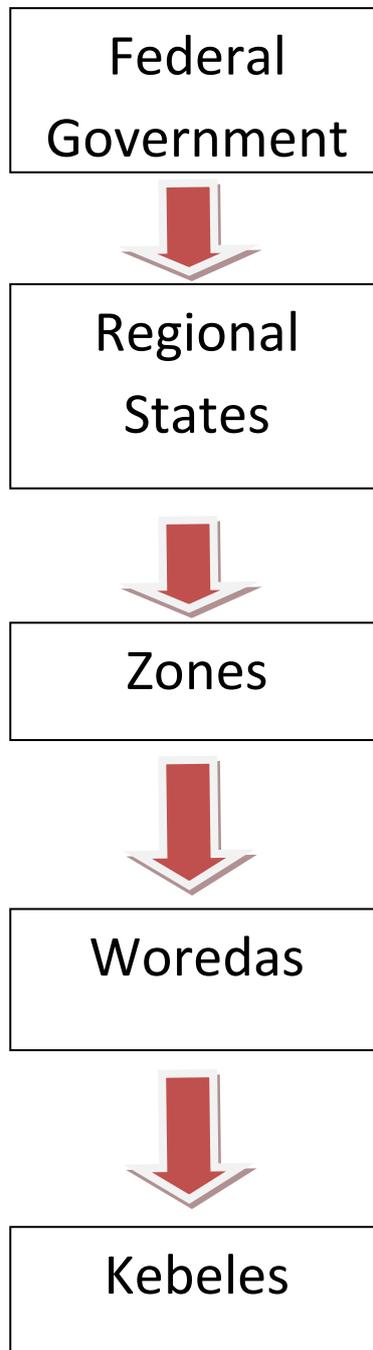


Figure-1: The present Ethiopian administrative structures started since 1991.

3. Contextual Factors Affecting the Land acquisitions

3.1. Land laws, policy and strategies in Ethiopia

Land tenure history in Ethiopia has changed radically in the past four decades. The country has moved from feudal system that recognizes kinship, tenant to land lord relationship, to socialism (1975-1991) which abolished the feudal system and declared public ownership of rural and distribution of private lands to the tillers; to the current government (1991 to present) which is based on a market oriented economy although land is still under the public ownership and constitutionally fixed. Hence, it is important to discuss the main policy frameworks related to the governance of large scale land acquisitions in Ethiopia.

3.2. Constitutional right

Article 40(3) of the Federal Democratic Republic of Ethiopia/FDRE constitution declare, that

“The right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange” (FDRE, 1995).

Therefore, it is clearly out lined that outright purchase of land is outlawed and illegal in Ethiopia. Currently land issue is constitutional, in case of needs, full agreement of the regional states parliament and two thirds of majority in the national referendum has to be fulfilled. Furthermore, Article 51 of the constitution gives that regional governments have the duty to administer land and other natural resources according to federal laws. Regional states are mandated for the administration of rural lands in their respective regions.

3.3. Federal Rural Land Administration Proclamation

The constitution was made into law by Federal Rural land administration and Land Use proclamation NO. 456/ 2005 this made land sale illegal and reassured ownership of rural land by the state (FDRE, 2005). What is interesting about this proclamation is that gives emphasis to land management and conservation, confirms indefinite user right, tenure transfer, provision for land certification and registration user right to holders, right to rent out land and

provision of gender equality. Access to rural land to investors (lease rights) is assured by Sub-Article 5.4 of the proclamation so long as priority is supposedly given to farmers and pastoralists. Importantly the proclamation made clear that the rural land redistribution will no more be done except in irrigation lands.

Land lease by farmers is allowed as far as registration and approval is given by the regional states ministry of agriculture. Renting of private holdings is different among regional states in Ethiopia. For example farmers/pastoralists in Oromia are allowed to rent out half of their holdings. Article 10 (proclamation No.130/2007) of Oromia defined the duration as three years for tradition farming and fifteen years for mechanized farming, however the agreement is valid only if approved by the region rural land administration bureau.

3.4. Environmental Policy of Ethiopia

This policy gives the right to undertake any Environmental Impact Assessment/EIA before the implementation of any development activities in the country (EPA, 1997). In this regard, the Ethiopia Environmental Protection Authority is mandated to implement the policy. The Environmental Impact Assessment/EIA has to consider not only physical and biological impacts but also social and economic cultural impacts situations (EPA, 1997). In this connection, Environmental Impact Assessment proclamation was issued in 2002 (Proclamation No. 299/2002). According to the law, without authorization from Environmental Protection Authority or from the relevant regional environment agency, no person shall begin any projects that require environmental impact assessment.

3.5. Investment Proclamation of Ethiopia

Investment proclamation encourages both domestic and foreign investors (article 13 and 14 proclamation No. 373/2003) to enhance the economic development of the country and to improve the living standard of its people. In this regard, investors working in large scale agriculture are entitled for incentives like exemption from income tax and custom duty according to the Federal investment regulations No 84/2003 and 146/2008.

Exemption from income tax for five years is applied if the investor exports at least 50% of his/her product or supplies 75% products or services to exporters. This income tax exemption could be extended up to seven years by investment board or could be extended for more than seven years upon the decision of the council of ministers. One Investor export less than 50%

of products or supplies only to domestic market are eligible for two years income tax exemption. In addition, investors are free to import free duty capital goods and construction materials necessary for the construction or upgrading of existing enterprise (Article 4 and 5, investment regulation No 84/2003).

Large scale farming is growing but the western part of the country is seen as a hub compared to the other parts. The research area, Bako-Tibe is also found in west at 285 km from Addis Ababa, the capital city.

4. Guiding concepts

Before proceeding with research and methods, it is important to define some of the basic concepts and definitions used in this research paper: the concept of livelihood, food security, participation and sustainable natural (land) resources management.

4.1. Livelihood

The concept of livelihood is increasingly becoming central in the debate of rural development, poverty reduction and natural resources management. Livelihood analysis has gone beyond the narrow definition and approach to poverty reduction. It had been narrow because it was focused on certain aspect or implication of poverty such as low income and did not consider other vital aspect like shock and social factors (Krantz, 2001). It is well recognized, that factors and conditions which constrain or enhance people ability to make a living needs emphasis around social, economical, and environmental aspects. In this regard a livelihood concept is comprehensive and central.

A livelihood comprises “the assets (natural, physical, human, financial and social capita), the activities and the access to these (mediated by institution and social relations) that together determine the living gained by individual or households” (Ellis, 2000:10). A livelihood has the characteristics of being adapted to fit for survival. Hence livelihood is not statics but has dynamic nature. The livelihood framework helps in the analysis of a particular context (policy, history, agro-ecology and socio-economic situations), mix of livelihood resources (capitals) result in the ability to follow what combination of livelihood strategies with what outcome. A livelihood is sustainable according to Ian Scoones “when it can cope up with and recover from stress and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base (Scoones, 1998) ”.

4.2. Food Security

The concept of food security has evolved considerably from the global food security, national, regional and household level. According to FAO food security is achieved “when all people, at all times, have physical and economic access to sufficient safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”(FAO,1996). The key elements of the definition are first availability, which includes the adequate supply of food and can be seen in terms food production, stock level and trade. Access to food is the second key element of food security and it refers to the economic and physical access to food. Food

production is one of the means to acquire food and other conditions like trade, collection of food from forest, gift from relative could also influence food access. Utilization is the third element and refers the quality and the quantity of food. It is also related with the consumption of various micro nutrients, energy and protein food. Stability to food refers to the continued importance of the above three food security elements. Or it related to secure risk (crisis) effects as the result of not having food availability, access and utilization. On the other hand food insecurity is the situation when people do not have sufficient physical, social or economic access to food as indicated above. The right to food is a basic human need and right, which is recognized by the international community as well by Ethiopia. It is a vital concept especially for a country like Ethiopia where the people have been vulnerable to food security problems repeatedly in the last three decades. This day food security has become one of the prime and immediate strategies of Ethiopian government. Hence, this concept enables to see the effect of large scale agricultural expansion in Bako-Tibe agriculture development context.

4.3. Participation

Participation has become the key concern in the discourse and practices of natural resources management. One of the proponents of participatory thinking Chamber (1983), for example argues that the traditional top-down approach is inefficient, ignore local knowledge, skill and right of rural poor and marginalized community (Chamber, 1983). Therefore participation of the concerned stakeholders is essential to achieve the desired sustainable development. In literature, participation does not have one comprehensive definition. For example, the framework participation proposed by of by Roger Sidaway (2005) uses to assess the effectiveness of decision making in terms of the extent of the participation of the concerned stakeholders. The principles show the condition of participation and negotiation lead to fair and “principled outcome” so that no one party is disadvantaged from the process and decision making. The framework, according to Sidaway comprises four principles: how the process is initiated, how inclusive it is, if relevant information is freely available to all stakeholders and whether the deliberations have genuine influence over the final decision. In general this concept helps to analyze and discuss the involvement of stakeholders and free information availability at the different processes of land acquisition.

4.4. Sustainable Natural Resources Management

The concept of sustainability is related to the growing impact of development on the environment, and the need to maintain its quality (Bell & Morse, 1999 cited in Belay, 2003). The World Commission on Environment and Development (WCED) and also known as Brundtland report 1987, define sustainable development `` as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs'' (WCED, 1987).

Environmental sustainability focuses on the biological, ecological and physical system. This includes maintenance of biodiversity, ecological service provision and diminishing degradation and minimizing over exploitation of the natural resource bases of the natural environment. On the whole emphasis on sustainable development is on preserving the resilience and dynamic ability of the system to adapt to change (Ibid).

5. Methods and Study Area

5.1. Choosing data collection methods

In order to get deeper insights into the effects of large scale land acquisition both qualitative and quantitative methods were employed. As Alvesson (2000:4) argued pure qualitative method may be useful, sometimes pure quantitative one, and even sometimes a combination of the two. Qualitative method explores behavior, values, experience and gives a deeper insight of specific issues, whereas quantitative methods use numerical data analysis to classify features, to satisfy the objective of the survey. For this study I employed a questionnaire, focus group discussions (FGD), key informant interviews (KI), and secondary data review methods.

The study area has a total of 1319 households scattered in different villages. Considering time and cost constraints a questionnaire survey found to be applicable method. Questionnaire survey is a qualitative method used to explain and describe simple descriptive statistical analysis of the farming community (Bowers, 1991).

Using the group and key informant (individual) interview method, it was possible to get a deeper understanding of the farming community in the study area. The key informants selected because of their first hand knowledge and information about the topic and the area. In addition, the key informants helped as to consolidate information gathered during the survey and different interviews.

Finally the survey questionnaires and interview results were supplemented by secondary data collected from different sources. The documents used were proclamations, contract agreements, statistical surveys, and different literature from Ethiopia and abroad.

5.2. Sampling

The sample survey was designed in consideration of four Kebeles which are adjacent to the farm. Kebele is the smallest administrative unit in Ethiopia. The boundary of the Karuturi Agro Product Plc farm is extended to four Kebeles. Presently, however, land preparations and cultivation was being undertaken in two Kebeles until the end of March 2011. As the result two kebeles [Bachara Oda Gibe (BOG) and Oda Gibe (OG)] kebeles were selected. In addition, large number of farmers (794 households from BOG and 525 households from OG),

cost and time constraints are among the factors that forced me to limit the number farmers covered in the study. The number of farmers covered in the questionnaire survey limited to 150 households (11% of the total population). Five questionnaires (three blank and two incomplete) discarded and a total of 145 questionnaires checked for completeness.

The selection of the farmer representatives was done in consultation with the Local Development Agents (DAs) and experts from the Woreda Ministry of Agriculture. It is believed that development agents living with community are knowledgeable about the farming community and the surroundings. Moreover, different selection criteria used to include women, landless, poor farmers, rich farmers, disabled and elderly (aged farmers). Selection for key informants and officials were done by Woreda agriculture expert and the researcher. Priority was given to stakeholders who have a direct linkage and concern to the research theme.

Accordingly, a total of two focus group discussions, twenty key informant interviews (6 - farmers, 12 - government experts at different level, 1-domestic agriculture investor and 1-Bako Agricultural research center) were selected from the two kebeles. The questionnaire received a total of 58 questions.

5.3. Data Collection

The field data collection from farmers was carried out by three enumerators and me by applying face to face interview techniques. Selection of the enumerators was done by taking into account: a) the knowledge of the study area b) the speakers of the local language c) the educational level and personal willingness to take part in the survey.

After the selection process completed, one day orientation and discussion about the objectives of the survey, discussions on each questions was also undertaken. This helped in creating a common understanding by avoiding misconception and increasing clarity. Finally a pre-test survey was conducted with three volunteer farmers. A support letter written by the Woreda administration to each Kebele center was handed over to the enumerators. This helped us to complete the survey smoothly. Had it not been for the supporting letter sent to Kebeles, we would have not been able to gather data from field.

To keep the quality of the data, deliberate field visits during the survey, as well as random checks were done after data collection completed. The data collected includes household characteristics, food security, land holdings and access, employment and income sources, and

environment considerations. A step wise procedure was adopted with Key informant (KI) interviews followed by Focus group discussion (FGD) and individual interviews.

In addition, interview with farmers, Bako-Tibe Woreda Administrator, Local Development Agents (LDAs), Woreda and Regional Agriculture heads and experts, Woreda and Regional Environmental Protection and Land Administration office's heads and experts, Bako-Tibe Investment Desk Head and Regional Investment Commission expert was contacted to get further information from community and government perspectives. In administrating the interview, I wrote down the interviews on paper and follow up revision was done after completion of the interviews. Various national and regional proclamations, regulations, reports research documents and internet sources were also reviewed.

Finally, the collected data completed, coded, and entered for further analysis using SPSS statistics software. Descriptive statistics were also used to analyze the data. The study was conducted from 3rd-21st March 2011.

5.4. Ethical Considerations

This research has tried to follow certain ethical standards and considerations suggested by Kvale (2009). These include informing the participants about the purpose of research, voluntary participation, confidentiality, avoiding dependent relationship and asking for approval. In this regard, all participants were informed about the purpose and duration of the interview. The research was conducted after getting full willingness and consent from the participants. In addition, prior to the survey agreement was reached concerning confidentiality not to expose personal information that could lead to any person experiencing danger or difficulty because of data collected. As the result personal name and place were made anonymous throughout the thesis.

To tackle unforeseen ethical challenges, a recommendation letter from the Department Rural Development and Natural Resources Management specifying the objectives and duration of the survey was prepared and submitted to different government offices. Indeed, the recommendation letter was a powerful instrument in convincing the 'gatekeepers' and to collect data smoothly (Hammersley, 2003). In addition, data collectors were recruited from the locality to enhance the trust of the respondents, and government officials working in Bako-Tibe Woreda.

5.5. Limitation of the study

The study covers Bachara Oda Gibe (BOG) and Oda Gibe (OG) kebeles, therefore the result cannot be generalized for the 28 kebeles found in Bako-Tibe Woreda. One Group discussion (GD) was held in each Kebele. This is because farmers were occupied in fifteen consecutive days' meetings throughout the Woreda that unfortunately overlapped with the research period. This situation hampered the participation of people during group discussions.

The households were selected based on the experience of development agents and Woreda agricultural experts. This might not be free from bias which could disfavor/favor the agricultural investment in the area.

Karaturi Agro Product Plc was not willing to participate in the study in spite of frequent and repeated requests. The research team had requested two times in person and two times by call but they were reluctant to participate. As a final attempt, the Bako-Tibe Woreda administration wrote a support letter to the farm if they would change their view. But again they were reluctant. In this scenario, it is difficult to include their views at all. So the study could likely reflect only the views and interest of the farmers, government workers and different government offices.

5.6. The study area

Bako-Tibe is one of the Woredas found in Oromia regional state of Ethiopia. The research area, Bako-Tibe, is found in the west Shoa zone of Oromia Regional State, 251 kms from the capital city, Addis Ababa and 169 kms from the zonal capital Ambo. Bako is the capital of the Bako-Tibe Woreda. (See Figure-2)

Bako-Tibe has a total population of 134,622 people, of which 68681 are male and 69845 people are female (CSA, 2010), of which 81% live in rural area and 19% in urban area. The population density is 209 persons per square kilometer. This makes Bako-Tibe highly populated compared to the national and regional population densities averaged 79 persons per square kilometer and 83 people per square kilometer respectively. Oromo language is the dominant language in the district. Christianity is the major religion comprising about 90% of the total population and Muslim, traditional beliefs and others, accounting for the rest.

Bako-Tibe has a total of 644 square kilometer area coverage, geographically lowland part comprises 51%, midland 37% and highland 12% (WMoA)⁴. The rainy season is bimodal, long rainy season is from June to September and the short rainy season is from January to March. The average precipitation of the Woreda varies between 900-1200 mm and has average climatic of 27.8 degree centigrade.

Farmers practice mixed crop and livestock farming system, where maize is the dominant crops in the Woreda. Other major crops are maize, sorghums, tef (*Eragrostis tef*) pepper, wheat, neug, and pea. Main livestock rearing includes cattle, goat, sheep, equine, and chickens. Bako-Tibe is food secured and surplus producing Woreda in Ethiopia, however there is seasonal food insecurity in 2-3 pocket kebeles (WMoA). Bako-Tibe has 4 urban and 28 rural kebeles.

Bachara Oda Gibe (BOG) kebele has a 5781 people (794 household) and Oda Gibe (OG) kebele has 2579 people (525 household). These kebeles are adjacent to Karaturi Agro Product Plc large scale farm and are about 15Kms and 23kms far from in east direction of Bako town.

⁴ Traditionally Ethiopian is classified into three agro-ecology zones. Highland has altitude above 2300 masl, midland between 1500-2300 masl and lowland below 1500 masl.

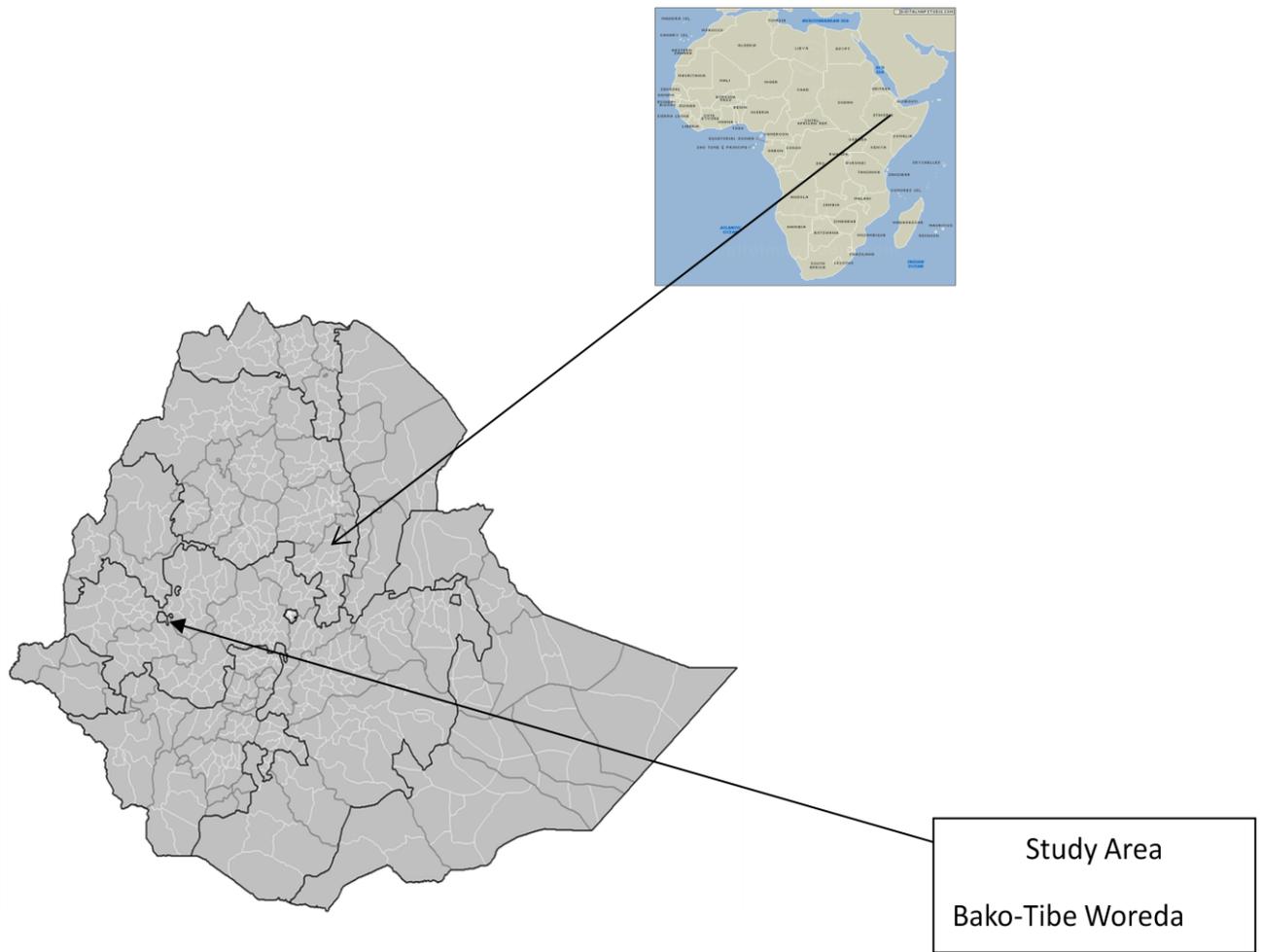


Figure-2: Map of Ethiopia Showing the location of the study area

Source: 1. http://en.wikipedia.org/wiki/Woredas_of_Ethiopia for the map of Ethiopia showing the divisions of Regions, Zones and Woredas.

2. Google image for African counties.

6. Result and Analysis

6.1 Socio Economic/Education condition

A total of 145 household farmers were administered with the questionnaire survey of which 64 households (26 female and 38 male) are illiterates (could not read and write) and 13 households are literate between grade 9 to 12 level (see Figure 3). The education level is very low for women farmers compared to men. For example, only one woman can read and write and the rest 26 women (92%) are illiterate. This is significantly higher percentage of illiterates, compared to men which are at 32% illiteracy. People need a range of capitals to achieve positive outcomes, one of which is human capital. This human capital is represented in the skill, education and knowledge that enable people to follow different livelihood strategies and achieve their livelihood objectives. The more education one can get, the more able people will be to pursue an improved livelihood (increased income, food secured etc).

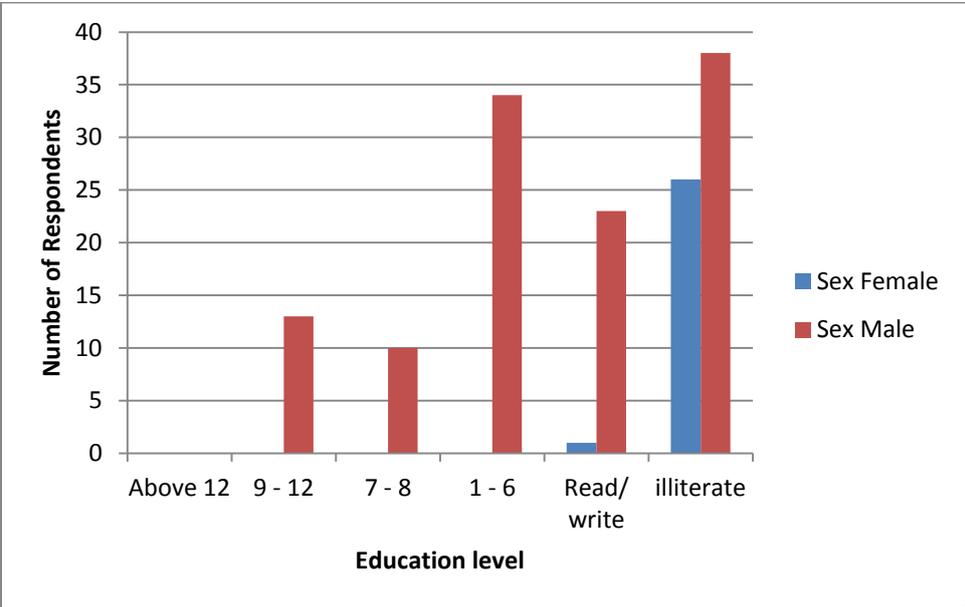


Figure-3: Educational profile of respondents in the study area designated by gender

Source: own survey (2011)

The effect of the large scale farming might not be the same for an elder person and youth. Being heterogeneous and wide age range inclusion enrich the analysis in a broader and more

inclusive manner. Therefore the study has benefited from incorporating a wide range of age groups. The eldest is 80 years old and the younger is 18 years old.

The sources of the household incomes are diverse and include on farm, off farm and nonfarm activities. Accordingly, majority of the interviewees believed that their household income is mainly derived from agricultural cultivation and share-cropping and agricultural wage labor (off-farm income). These are confirmed by, 77%, 62% and 30% respectively out of 145 household. This indicates that on farm income is the major source in this particular study area. According to Ellis, on farm income is generated from own-account farming or land accessed through cash or share cropping (Ellis, 2000). In this study area, non-farm income source plays important role, for example non-farm wage employment and nonfarm self employment comprises about 24% and 25% each. But income sources from remittance and government employee (non-farm) is very small compared to on farm household incomes sources. In addition, even if the two kebeles are practicing mixed agricultural production, the income generated from the sale of livestock and livestock rearing are accounted to 17% and 23% of the total respondents (145 household). In general, these shows that the farmers in BOG and OG are dependent on diversified rural income sources to lead their standard of living. A diverse range of activities contributes to make secure livelihood because it improves resilience in case of risk and sudden shock to the economy such as drought or other catastrophes.

6.2. Effects on the livelihoods of the local farmers

The natural resource base of Ethiopia such as land, water, and forest, is the base for economic development, livelihood security and other basic necessity of its people. Any loss or change in land holding has a considerable effect on the majority of farmers in the two kebeles as farming activities is the main source of livelihood. Reflecting this reality, the livelihood framework put land as an asset of the natural capital and contributes a pivotal role in enhancing improved livelihood of the rural community (Ellis, 2000). In this survey out of 145 respondents, 94 household (65%) were directly affected by losing farm land from one Timad⁵ (one-fourth of a hectare) to 32 Timad of land and the rest 51 household (35%) were not affected by losing their holdings. When we closely examined those affected separately, of the total of 69 household (48%) have lost from 2 to 6 Timad of land holding claimed by them. Of all one household has lost 32 Timad or 8 hectare of land. For detail see Figures-4.

⁵ Timad is traditional area measurement unit in Ethiopia. One Timad is equal to one- fourth of a hectare.

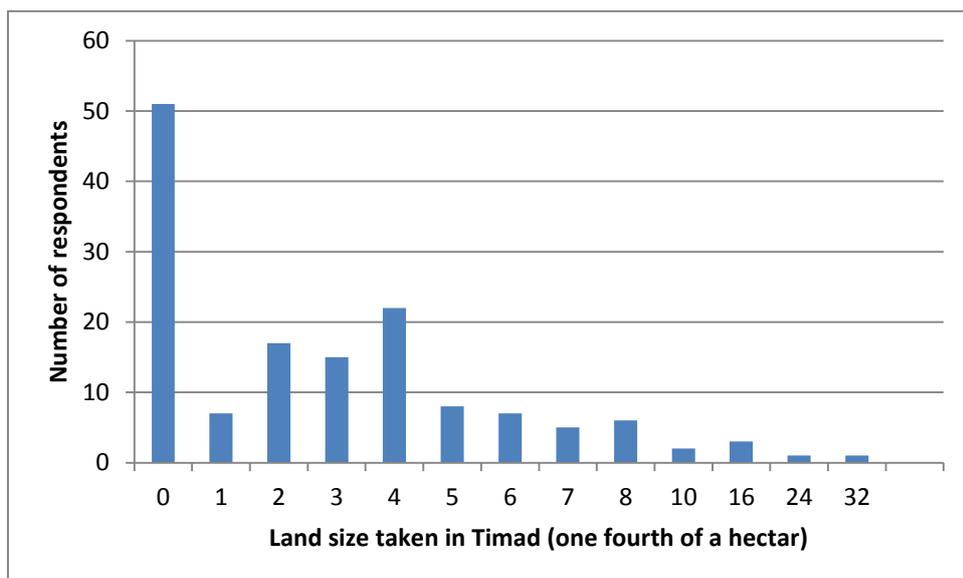
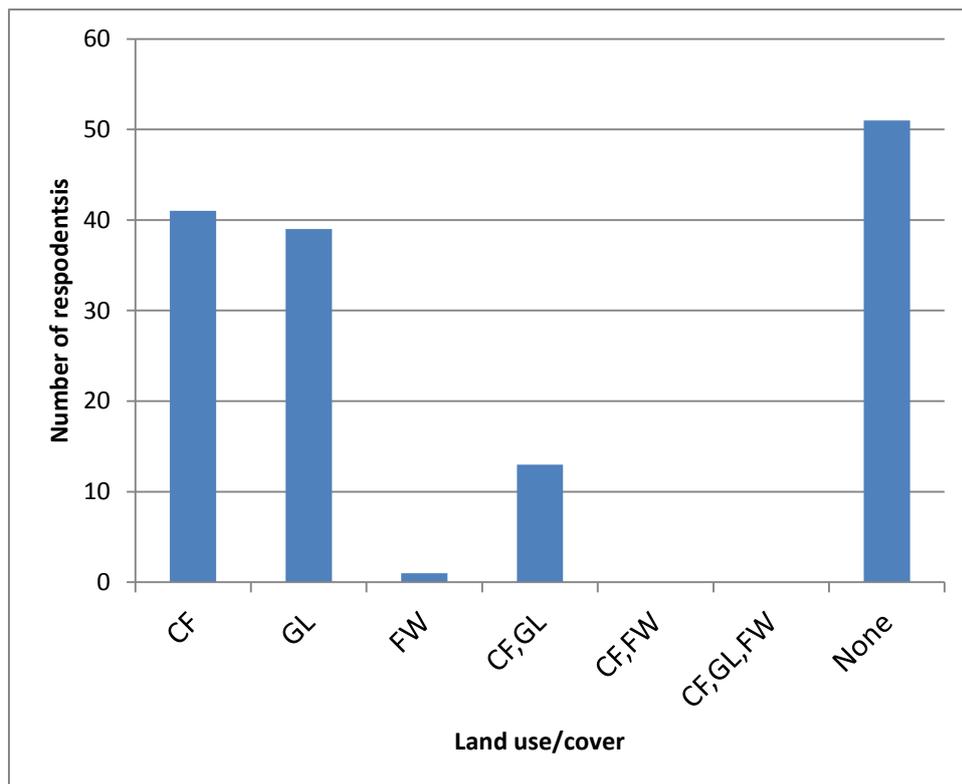


Figure-4: Land Taken from farmers in the study area.

Source: own survey (2011)

The land taken by the Indian investor (claimed by the local farmers) has served the community for different purposes. These include for cultivation /fallowing, grazing land, forest/bush land and a combination of this land use/cover. Out of 94 household farmers who directly lost their holdings, 41 household (44%) claimed that they lost their cultivated/fallow lands, and 39 household (41%) grazing lands and 13 household (14%) a combination of cultivated and grazing lands. See Figure-5 for details.



Legend	CF	GL	FW	None
	Cultivated/Fallow land	Grazing land	Forest/woodlot	No land taken out

Figure-5: types of Land cover/use taken out by Karuturi Agro Product Plc from farmers living in the area.

Source: own survey (2011)

The agricultural land dispossession has had direct implication on economic, social and biological dimensions. The social implication is that, when the Indian investor came to the area, they started to clear trees in a place called Tulu Saha. Traditionally this area has been a place where the local farmers perform traditional practices. Disregarding its social value, the investor started clearing the trees at Tulu Saha. This has angered the farmers residing in the area and a conflict with the investors erupted (interview with focal persons, 2011).

6.3. Compensation

The survey has found out that none of the farmers have received compensation in terms of money and/or exchange of land for the loss of their land. The 87% of the household confirmed that they did not receive compensation and 12% of the participants were not willing to share their opinions. The claims of the farmers confirmed from the different

interviews held with the local official in the Bako-Tibe Woreda. Farmers have mentioned different reasons why a compensation fee was not paid. The greatest mentioned that agricultural land found in black cotton soil (vertisol) area not allowed to be compensated for - this was previously explained by government representatives in a different meeting held in the Kebeles. This reason mentioned by 53 household (36%) of the respondents. Other reasons mentioned by farmers are: you do not have "ragaa" (Holding certificate); the "land is not your own" and the "government has provided" the land to the Indian investor so no compensation fee is allowed.

As a result of this, many farmers have expressed their complaints and discontent of the transfer of their farm holdings to the Karuturi Global Plc. Some farmers have step by step submitted their case from the lower administration level (kebele) to Regional state Oromia Environmental Protection and Land Administration Bureau (OEPLAB) by signing petition letter and had sent their representatives to the regional bureau (interview with farmers, 2011). In line with this, the finding of the survey indicates that, 37 household (26%) of the respondents reported their cases to Regional bureaus located 251 kilometers from the Bako town. An additional 45 household (31%) presented their cases to kebele and Woreda level officials, Woreda Environmental Protection and Rural Land Administration Office (WEPRLAO), Woreda Agriculture office and Bako-Tibe Woreda administration Office.

To give concrete picture it is imperative and useful to present as a proof a history of one of the farmers (Mr.001) who lost his holding due to land acquisition and the difficulties encountered in due time ahead:

Case of Mr. 001

"My name is Mr. 001 and I am 62 years old. I live in a village called Gaba Dile. I have 14 family members of which 4 are women and 10 are men.

At the age of twelve I came to Gaba Dile to live with my parents, before that I was living with my grandparents. I believe my ancestors had lived in the area for the last two hundred years. As evidence still some places are called by the name of my relatives.

In 1997 EC (2005) Land registration and certification practices were implemented in our Woreda, Bako-Tibe. During that time the Woreda officials told as that plots of land found in the black cotton soil area would not be

measured for land certification process. Then Karuturi Agro product Plc came to our village in 2000 Ethiopian calendar/EC (2008), to establish large scale farming. They promised to build schools, dig water wells and other infrastructures at a public meeting held in our Kebele.

Karuturi Agro product Plc started operation in 2009. First they constructed 7-kms road leading to the camps, they cut down different types of trees planted on the sides of the road. I became one of the victims of the land clearing. As a result of this, I lost 400 eucalyptus and six mango trees planted on 178 meter x 9 meters (1602 square meter) of land. I nurtured the mango trees by fetching water from the river for seven years and I took care of it for a long time. By the way, the land I lost is legal and certified. I can show you the land ownership certificate. The certificate is the official document provided by the government as evidence that the land is belongs to me.

After some time, I reported the case to the Woreda administration office. Six months later, the vice administrator ordered the Bako–Tibe Ministry of Agriculture and Rural Development Office to estimate the cost for the loss of mango trees only. Based on this, the Woreda agriculture expert estimated 30,000 Birr (Birr is the unit of currency in Ethiopia) compensation by taking into account ten year harvest period. Despite the cost estimated, the compensation fee was not paid to me. Then I had submitted the case to the Woreda court and no decision was made as well. As the result, the case has reached to the zonal administration attorney. I did not get any compensation fee to the loss of my land, eucalyptus and mango trees until today, 12 March 2011. Really I do not know how long this will continue.”

Source: Interview March 04 2011, Bako

The study has also encountered a similar story from another farmer. The Bako-Tibe Environmental Protection and Rural Land Administration office acknowledged the presence of this and other four similar situations in the Karuturi Agro Product Plc farm area (interview with expert, March 2011). These six farmers have received land holding certificate of title

issued by the government (in this case WEPRLAO) as a proof of rural land use right. However, none of them have received compensation, which legally they are entitled to.

Similar claims persist in the two kebeles, for example 65% or 94 household said that the land leased to Karuturi is their own. However, the farmer concerns were not accepted by the Woreda administration and the WEPRLAO. The administration office argued that the land allocated for the Karuturi belonged to the government, but due to land fragmentation and population pressures, some farmers were encroaching the common grazing and cultivable land and encroaching does not mean that the land belongs to them (interview with Administrator, 2011). Although the lands were used for some time, the local administration argued that it was not included in their user rights boundary (Holding certificate); hence it was not necessary to pay a compensation fee as it belonged to the government (Interview, 2011).

It seems there is a problem defining land ownership. On the other hand, farmers claim the land because they were cultivating it for long time, even by some farmers up to 40 years and previously used by their ancestors as well. On the other hand the government has recognized only those farmers who have a legal rural land certificate.

The above cases show some of the effects encountered in the implementation of the large scale land acquisition in Bako-Tibe Woreda. According to the Oromia Rural Land Use and Administration proclamation 130/2007, article 6/11 and the Federal Land Administration and Utilization Proclamation 456/2005, Article 7/3 and the Investment policy and proclamation of the country, any individual or organ whose land holding is taken for public use shall have the right for compensation for the lost properties and benefits beforehand. It was not possible to get answers from the local officials about the reasons why those farmers (six households) who have the legal land holding certificate did not get the necessary compensation and why there was such widespread disregard for the majority who claim the land belongs to them.

In this regard, the finding of this research is also in line with the case of Mr. 001. Out of 145 respondents, 64 farmers (44%) and 29 farmers (20%) responded that the responses they got from the concerned government sector offices regarding Karuturi Agro Product Plc agriculture investment complaints are unsatisfactory and poor respectively. The rest 40 households (28%) replied that they have not yet received responses. Only 10 farmers (7%) replied that the reaction from the government is satisfactory. This type of unresponsive situation can lead to environmental/land conflict because the causes for environmental

conflict are diverse (Sidaway, 2005; Daniel, *et. al.*, 2001). Human beings by nature are socially responsive and as a member of the society the community expects answer and response for any questions raised. When the answer is vague the trust to interact decreases and conflict could emerge (Hallgren, n.d.). Therefore, timely response contributes a lot to reduce land conflict and enhances communication.

The complaints of the local farmers not only limited to the failure to get compensation fees. Rather, keeping their livestock out of the grazing land was expressed by 20% household as a threat to their livelihoods. In addition a long trench dug by the Karuturi Agro Product Plc has increased the complaints of the farmers. It seems that the trench is deliberately constructed as a live fence to prevent livestock crossing to the farm area. As a result, cattle have died in the trench and have brought causality and loss. 15% of the respondents consider the trench dug in the farm as a serious threat to their livelihood.

Since Karuturi Agro Product Plc has been operating the last three years (2009 to 2011 mid) the study has found out that the effect of restraining livestock from the grazing land has had limited effect with respect to the livestock population. For example, the findings show that sheep and goat populations have increased to limited numbers and the cows and oxen populations' remains almost the same. This finding might not last in the long run. Karuturi Agro Product Plc is working about 1500 hectares of land which accounts for approximately 10% the approved leased area during the survey. Hence when they start a full scale operation the findings might be questionable and likely subjected to change.

To date, rural development discourses are stressing the need for enhanced participation of the local people and concerned stakeholders so that the designed development intervention brings shared awareness and benefits. One of the proponents of participatory thinking is Robert Chambers (1983), who argues that the traditional top-down approach is inefficient, ignores local knowledge, skills and rights of the rural poor and marginalized community. This opinion of Chambers helps explain that there needs to be an emphasis on shared consultation and participation or else top-down approaches with continue to create problems and likely hamper sustainable rural development. However in this survey, 79 households (55%) did not participate at all in the consultation process before the land leased to the Karuturi Agro Product Plc and 66 households (45%) have already participated. Of the total 66 households that participated in the consultation process 71% of them participated only once or twice.

According to the interviews held with the Bako-Tibe Woreda officials and experts, the land allocation process did not start from the Woreda level and rather it had commenced directly from the Regional or Federal government offices. Some experts have mentioned that they had heard about the land lease allocation from government media sources (Interview with Investment desk, 2011). In the following day, the same interview told us that “officials from Federal and Oromia region came to our Woreda to make effective the implementation process”. This indicates that the consultation process with the community started after the agreement had reached between the government and the Karuturi Agro Product Plc. Even the Woreda concerned sector offices like Environmental Protection and Rural Land Administration Office, Office of Agriculture and Investment Desk did not participate in the land acquisition process from the beginning. To allow more fair process, all stakeholders need to participate in the consultation process in all stage of investment. Usually the rooms to participate the local farmers in the consultation process help to increases commitments to agreement made between the investor, the community and the government but it was not in the Karuturi Agro Product Plc case.

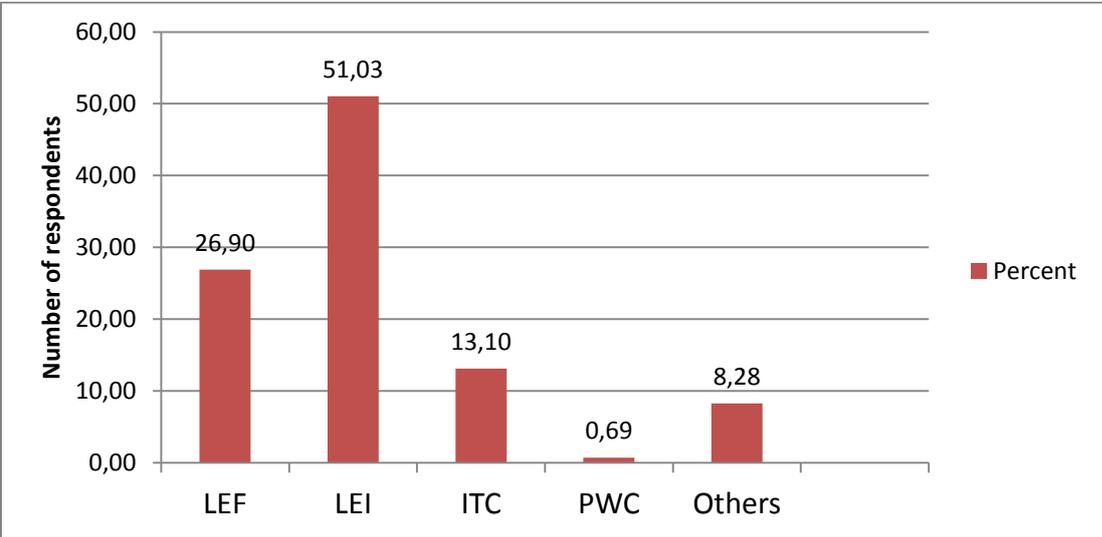
6.4. Environmental effects

Deforestation and the resulting land degradation is a global problem and also very much concern in Ethiopia. The negative environmental effect of deforestation was regularly raised by large number of farmers and key informants in this specific study area. The lion’s share of the respondents, 90% replied that the forest cover in the field has decreased after investment started. One local farmer explained the effect of the tree cutting from his experience in an interview.

“I, Mr. 002 have been living in Bacara Oda Gibe (BOG) kebele for the last 30 years. I have 12 family members (10 women and 2 men). In addition to farming I have a small number of livestock and they usually drink water in the nearby Gibe River. To reach the river we cross this huge land (now the large scale farm). These trees are indigenous trees and need many years to reach maturity. They were good because they gave shade for our cattle and the people when we went to the river. However, after the Karuturi Agro Product Plc cleared most of the trees, there are no shading trees found and our cattle are feeling the heat of the sun; it seems simple but it is really important for our cattle.”

Source: interview, March 03 20011, Bako

However, the expansion of the investment was not the only reason mentioned by farmers for the decrease of forest in the study area. These factors also include encroachment to the farmland mentioned by 27% of the respondents, and illegal tree cutting mentioned by 13%. The majority, 51%, claimed the large scale farm expansion as a major factor. See Figure-6 below



Legend	LEF	LEI	ITC	PWC	Others
	Land expansion by farmers	Land expansion by investor	Illegal tree cutters	Private woodlot cutters	

Figure-6: Reasons provided by respondents for the decrease of forest coverage in the study area.

Source: own survey (2011)

Although deforestation was raised as the major threat from the farmers and experts from the ministry of agriculture, an increased incidence of environmental (Land) conflict between the investor and the local farmers, soil erosion and decrease in honey production were mentioned as additional environment related problems. This study found out that, 90% of the farmers reported environmental conflict (social conflict about environmental issues) between the investors and the local community as a major observed problem. Daniel and Walker (2001) argue that describing environmental (land) conflict with a simple definition is difficult. They describe it by explaining that environmental (land) controversies involve both conflict and disputes which have characteristics of a complex nature. They asserted that Environmental (land) conflicts are complex, because they involve multiple parties, multiple issues, and multiple cultural differences, scientific and traditional knowledge etc, whereas disputes are

encounters and involve specific interaction issues that arise in a particular time period. Soil erosion and a decrease of honey production were mentioned as additional environmental problems encountered by 88% and 81% of the respondents.

Since agriculture is the major source of livelihood in Bako-Tibe Woreda, a major goal of the land acquisition is to bring sustainable agricultural development in the area. By considering certain criteria or trends it is possible to see whether the practice is sustainable or unsustainable. The practice of cutting the trees is unsustainable in comparison with a system that does not. In line with this Pretty (1995) argues that it is possible to weigh up, trade off and agree on these criteria for measuring trends in sustainability at farm or community level. With regard to the decline in honey production in the area, it is difficult to conclude that it is the direct result of the expansion of the large scale farming. But I believe that the deforestation might reduce the tree cover in the area and in doing so also reduces natural flowers from the trees, which could contribute to the honey reduction.

In this regard, in the contractual agreement signed between Karuturi Agro Products Plc and The Oromia Investment Commission in May 2008, has given due attention to reforestation. For example, Article 10(4) of the contractual agreement states that Karuturi Agro Product Plc has the responsibility to cover 2% of the leased out land with trees excluding eucalyptus trees. Hopefully this is a good beginning to pay attention to environmental considerations but it does not have any time limit as to when and where replanting begins. Therefore this opens the opportunity to delay reforestation activities. The study has confirmed with the interview held with the Woreda office of Agriculture and Environmental Protection and Rural land administration office that at the time of the survey the reforestation activity had not begun.

6.5. Effect on Employments

The role of employment in poverty reduction and livelihood improvement has received wide attention. It is one of the arguments that are used when arguing for large scale farm expansion in Ethiopia (MoARD, 2009). Accordingly, the study tried to assess this scenario as one of its research problems.

The findings indicate that 31% of the respondents got work directly on the farm while the remaining did not. In addition, 21% said that their household member(s) got the opportunity to work in the farm and the remaining 79%, said they did not. The job type is mainly as a casual laborer form and is temporary and seasonal in nature. When we analyze the

respondents who got the chance to work on the farm (45 households), 43 households were employed for temporary/casual laborer work and two of them received a contractual job opportunity. Usually casual farm workers are deprived of different work benefits such as maternity leave, annual leave, sick leave etc. The number of temporary/seasonal or contract job opportunities work days to farmers have shown much variation, it varies from two work days up to 60 days and the majority were working on the average for ten days. The casual laborers got a wage payment of 12 Birr per day and some also earn from 15-30 Birr per day. Those getting higher wages were working as supervisors and field assistants. However, this study didn't take into account the number of job opportunities secured from the Karuturi Agro Product Plc farm perspective, because they were not willing to allow the research team to interviews by giving different reasons, such as that the farm manager was not in the area. However, the interview data from the Woreda Investment Desk shows that the wage rate has increased to 13 Birr per day recently. Furthermore he stated that:

“There are certain workers who have got jobs in the farm, however only six workers are working on a contractual basis, of which one of them has legal contract agreement but the remaining have not. In addition one of the six has already left the job. Their salaries range from 800.00 Birr to 1100.00 Birr. Currently there are 23 local people (18 male and 5 female) working in the farm. Usually casual labors, guards, field supervisors and drivers positions are held by the local people. Generally the total number of people working in the farm increases roughly 45 to 88 people during peak working period.”

Source: expert from the Woreda Investment Desk, 11 march 2011

With regard to the working situation, the respondents have different reactions. From the total of 45 household farmers who got the chance to work in the farm, 27 households said that the working situation is bad and 12 said that it is okay. Bad conditions refer to small payments compared to the amount of labor. There is no chance to solve problems for example if you get sick or tire, and the employment shows seasonal variation. As a result, the farmer cannot be sure whether he/she is going to work over in the next weeks or not. On the other hand some farmers took existence of the job opportunity in the area as a criterion for saying good although the wage rate is small; it would help as an additional livelihood income to their family. Paula et al argue that wage/labor market between agriculture and non agriculture

sector plays a similar role for households in terms of a pathway to poverty reduction (Paula, *et. al.*, 2008).

6.6 Effects on Food Security

It is difficult to clearly see the effect of the large-scale farm intervention on the food security situation of the local area, because the Karuturi Agro Products Plc started working in the area only three years ago. In the first year, 2009, the farm operation was fully devoted to land clearing and preparation, and in the second year, maize, palm tree seedlings, and rice was cultivated and while this survey was conducted preparation was underway to cultivate maize and rice. Therefore it is too early to evaluate the food security impact on the local farmers. And it also becomes too simplistic to discuss the impacts on the food security. However, from the interview conducted in the Woreda ministry of agriculture, we have realized that the Bako-Tibe is a surplus producing and food secured Woreda in the country. As an indicator to this, the Woreda was not registered in the food security prone Woredas of Ethiopia that are under the safety net and/or food security intervention program of the Federal government (interview, DMoA 2011). However, I do not agree with the Woreda agricultural expert assertion about the food security situation of the Woreda. This is because, to realize food security, the four dimensions (availability, access, utilization and stability) have to be addressed simultaneously. In this case if we examine the potable water coverage and sources of the area we found that are small and most people cannot fetch water from protected sources. This has the greater probability to affect the health of the farming community, utilization and access to food security elements. Water and sanitation, health care and quality of food are important components that act as determinants for a good utilization of food. The study indicates that 53% of the people are getting potable water from springs and hand pump capped wells and 46% get their water from rivers and unprotected wells. Usually water from unsanitary water points (rivers and wells) contribute to the spread of water borne and water-related diseases. The majority of the water schemes were constructed by the government and to a limited extent by a nongovernmental Organization/NGO called International Development Enterprises/IDE.

From the experience in rural Ethiopia farmers usually face food shortage during the time of the rainy months June, July and August and products from the previous year usually diminish to a minimum. Hence by taking the 2002 Ethiopian Calendar/EC (2010 year) rainy season as a reference, the study tried to analyze the food security situation of the contacted farmers.

The result indicates that 43 household (30% of the respondents) said that, they encountered a food shortage in 2002 EC (2010 rainy season). The same respondents were asked whether they are food insecure in the year 2003 EC (September - March 2011) and only 12 households (8%) said that they were short of food and the remaining 133 household (92%) were not at all. This shows the presence of a transitory food insecurity situation among a small number of farmers. Transitory food insecurity is short term and temporary food deficits. Out of the 12 households that were food insecure in 2003 EC (September-march 2011) only three were working on the farm. The overall expectation was that those who are poor are expected do in the available farm work. I suppose this is due to the low wage rate of the Karuturi farm which meant that farmers preferred to work in other wage works in the town. In addition, the majority of the respondents have mentioned year 1985, before 26 years ago, as the worst food shortage period in Bako-Tibe Woreda.

An interview held with a planning expert at the Bako-Tibe Woreda Agriculture office said that “The Agriculture office do not have any data about the amount of maize produced from the Karuturi Agro Product Plc farm. We do not have any report whether the produces was sold within or outside the Woreda”. In addition, the agreement document signed between the Karuturi Agro Product Plc and the government in May 2008 does not show whether the agricultural products from the farm are marketable within the country or regions (Agreement document, 2008). If the product is marketable for the local market the contribution to the national food security is obvious. On the contrary if the produce is sent for export only, I see no contribution for the local household food security and national food self-sufficiency program of the country.

In order to enhance the agricultural production and productivity of the local area, the contribution from local stakeholders such as the government, private large farms, Nongovernmental organizations/NGO etc is important. The local farmers were supported with agricultural extension services, improved seed introduction and distribution, capacity building (training on different agricultural practices), livestock vaccination and service etc. However, almost 99% of the respondents confirmed that extension services were provided by the government. This clearly shows that the large-scale farm (Karuturi Agro Product Plc) was not playing any part so far. However, the 7-Km farm road which was constructed by Karuturi leading to their camps is also serving the local communities. Since food security is a multi dimensional concept, we usually address certain aspects of the bigger food security problems. Agricultural production, infrastructure development, clean water, sanitation, natural resource

management governance, peace and stability etc are all factors contributing to the food security situation. Thus I believe that the farm road contributes to the food security of the farmers by improving the local people's access to the nearby town and market.

Out migration is usually a livelihood strategy followed by poor people in case of food insecurity and livelihood deterioration. Recognizing this important factor, the study tried to look at the prevalence of out migration after the large-scale farm expansion in the area. In this regard, the study found out that only seven households (5%) out of 145 household said that their household members had gone away from the area during the last six months (October-March 2011). In two rounds of group discussion held with two kebeles they said that the out-migration situation was not caused by the expansion of the large scale farm and it was even practiced by some people before the coming of the Karuturi Agro Product Plc farm (Group interview, 2011). They stated that migration is common among young age groups but we did not see any exacerbated trend after the Karuturi Agro Product came to Bako in the last three years.

7. Discussion and conclusion

In this section I will try to analyze the result gained in the previous section with guiding theories and concepts used at the beginning of the paper to analyze the over objective of the research question.

7.1 Local farmers and institutions participation in the land acquisition in Bako-Tibe Woreda.

To begin investment in Ethiopia either the Ethiopia Investment Authority or the regional investment commissions are mandated as entry place. The Ethiopian constitution, article 51 has provided land administration and allocation of land for investment to the regional states (FDRE, 1995). However, more recently the Agricultural investment projects more than 5000 hectare is administered by the newly established Agriculture Investment Promotion and Support Directorate (AISD) within the Ministry of Agriculture (MoARD, 2010). Land less than the specified amount is administered by the regional government investment commissions (MoARD, 2010).

The case of Bako, the land investment was administered by the Oromia Investment Commission (OIC) without participating the local community and concerned government offices at Woreda level. A key informant interview held with the Bako-Tibe Woreda Investment Desk said that, he heard news about the land deals from the local media. The Federal constitution of the country in Article 43(2) granted the right to participation for nations and in particular for the local community with respect to policies and development projects that affecting them. Participation is a process of equitable and active involvement of all stakeholders in the formulation of development policies and strategies and in the analysis, planning, implementation, monitoring and evaluation of development activities. Hence it would have been important to allow the local farmers, elders, women group, and different government offices to participate from the inception of the land investment till the delivery of the land to the investor. The involvement of all stakeholders provides more room for the disadvantaged stakeholders to increase their level of understanding about the process, influence and control of their own livelihood that affects the result. The research team confirmed the non participatory nature of the land deals from different focus group discussions and key informant interviews held in the area. The consultation of the local

community began after the land transferred to Karuturi Agro Product Plc. The Study result indicated that out of 145 household respondents 79 household did not participate in any of the consultation processes. Some 66 household participated in the consultation process after the land had been given to the investor. Out of the 66 household, only 47 household (71%) participated in one or two round consultation. This shows that the land acquisition in Bako-Tibe Woreda took place without enough and genuine participation of the concerned stakeholders in the area. Chamber argued that, participation has different uses as it increases sense of ownership, increases commitment of stakeholders (the agreement), facilitates and increase partnership between the local institutions and contributes to the sustainable development of the project. Often top-down approach is inefficient; ignoring local knowledge and right of the rural poor (Chamber, 1983). Different implementation problems and resistance from the Bako-Tibe community encountered as the result of non-participatory nature of the land deals with Karuturi Agro Product Plc.

First problem was the resistance of the local farmers to the demarcation of the boundary of the farm in the area. This is mainly because the land investment plan which was brought from higher offices was prepared based on the 1978 EC (1986) data and information (Key informant interviews with rural land administration office expert, 2011). It did not take into account the current population, land use and settlement pattern of the area. This created considerable problem to accept the first proposed land size which was more than the current size 11,704 hectares. Some amendments such as passage for cattle to the nearby river was tried to include in the current investment land size. However there are still unresolved issues and complaints from the local farmers, for example the land holding of the six farmers included in the boundary of the investment area (Key informant interview with rural land administration office expert, 2011). As the result the latest demarcation process which held on May 2010 (Ginbot 2002 EC), by the Woreda Environmental Protection and Land Use Administration office, experts coming from Oromia Regional Bureau, Woreda Administration was not materialized due to conflict was erupted in demarcating the area..

The second problem was farmers did not get any compensation for the amount land they lost in the land deal process. According to the Federal Land administration and utilization proclamation 456/2005 Article 7/3 and the Oromia Rural land use and administration proclamation 130/2007 Article 6/11, and the Investment policy and proclamation of the country, states that any individual or organ whose land holding is taken for public uses shall have the right for the compensation for the lost properties and benefits beforehand.

Certificate of holding is the criteria for of eligibility for compensation article 2 (3) of proclamation 455|2005 Federal and article 2(6) Oromia proclamation No 130|2007. There are six farmers have land holding certificate which is a certificate of title issued by the government as a proof of rural land use right, however none of them got compensation. Some have started prosecuting their case in the Woreda and zone court rooms (interview, 2011). In addition to this, 94 farmers claimed that the land allocated for the investor is their own. The claim is based on the fact that they have used the land for grazing and cultivation even at the time their ancestors. Although all the 94 farmers have used the land for long time, none of them have the landholding certificate certificates provided by the Woreda land administration office since 2005.

The third problem was there is weak linkage and information flow between the farmers, investor and the concerned government offices. Here the information flow between the Woreda Investment Desk, Woreda land administration and the Woreda ministry of agriculture is polarized. For example, the researcher could not get enough information from the Woreda Investment Desk regarding the Karuturi investment deals. Although the Land administration had better document than the Woreda Ministry of Agriculture about the Karuturi investment but most information was shallow and fragmented. For example, the information available in the Land administration office was not available at the Investment Desk and this created difficulty in cross checking the validity of data. This raises a question that, how an office without proper information could be accountable for questions raised by the farming community? As the result, most farmers expressed their dissatisfaction for the response they got from the concerned government offices regarding the land deal. For example, the survey result shows that out of 145 respondents 93 household said the response was unsatisfactory and poor while 40 household conformed that they did not get any response about the complaints of the Karuturi farm. Even the regional level, information and linkage are questionable, for example the Oromia Environmental Protection and Land Administration Bureau could not provide a single document about the Bako-Tibe Woreda investment. Sidaway argues the importance of the free availability of information as one criterion for the participation of all stakeholders (Sidaway, 2005). He stressed the information has to be freely available to stakeholders, clarity how the information gathered and evenly coverage of the issue needs to be addressed at all level. Other Study conducted in Ethiopia by Tamerat (2010) has also pointed out information and linkage gap between different stakeholders working in the land investment area.

7.2 Livelihood and food Security scenario

Investment opportunity to be sustainable it should never undermine the food security and the livelihoods of farmers' residing in the area. As land is the major livelihood source of farmers in Bako-Tibe Woreda, change in the land use and holding could slow down the investment promotion and more importantly could affect the livelihood of the farmers. The survey showed that most farmers derived their income from cultivation, sharecropping and employment on agricultural wage labor. For example a total of 117 hectare (463 Timad) of land which claimed by the 94 people was granted to investment. The remaining 51 farmers did not experience change in their holdings. However, the claims of the farmers were not recognized by the Woreda administration and sector offices arguing that the people do not have the formal landholding certificate and the land was "unutilized" land. However, result from interview and focus group discussions revealed that the land was used by the local farmers for cultivation, grazing and other purposes. Study by Cotula in 2009 in Ethiopia and four Africa nations reported that farmers who were cultivating land in customary way are losing as their governments do not give recognition for this type land tenure arrangement (Cotula, et al., 2009). The land taken for the investment was serving the local community for grazing, fallowing and forest/bush land. For example 81 respondents have conformed honey production has decreased in their surrounding in the last three years and it is one of agricultural income diversification activities practiced in the area.

A total of 258 sheep, 278 goat, 416 oxen and 485 cows are raised by the total respondents. A total 20% of 145 respondents have expressed the effect of the exclusion of their livestock from the gazing land had serious problem in their livelihood. On the contrary, the survey found that the effect to get access to grazing land limited consequence as far as the livestock population of the farming community concerned. This might because Karuturi Agro Product Plc has started the farm operation only in the 1500 hectares of land. Therefore this finding may not last long when the farm operation begins in full scale.

Some farmers are spending considerable time and asset to follow up their court cases as with the result of land investment. These farmers are spending their asset which would have been used in other productive activities. For example one farmer has spent nearly 6000.00 Birr for transportation, accommodation, stationery and lawyer payment (Key informant interview, 2011). This type of situation has the possibility in the depletion of the economical(financial),

human capital and social assets of farmers. For example, limited time spent to look for family and to participate in social commitment (group work, burial ceremony etc) activities.

Bako-Tibe Woreda Agriculture office do not have enough data regarding the amount produced from the Karuturi farm as well as where the produces was sold within or outside the country. The agreement document signed between the Karuturi and the government on May 2008 does not state whether the agricultural products from the farm are marketable within the country or outside the country. Here the question of accessibility is important. If the product is marketable for the local market the contribution to the national food security is much. Equally I believe that the possibility to contribute for the national or Woreda food security is questionable if the production is made for export purpose only. In this regard, the investment laws of the country encourage investor to export their production by allowing different incentive schemes. For example , article 2 of the regulation No 146|2008 and Article 4 &5 of regulation 84|2003 provides income tax exemption for five years is applied if the investor exports at least 50% of his/her product or supplies 75% products or services to exporters. The same regulation state that investors that supplies less than 50% of their production to the domestic market will be exempted for 2 to 3 years. This show that how the emphasis is given in the export earning of the country. Although the export contributes for the national reserve of the country its implication for the national and Woreda food security is questionable. It is particularly needs attention for the country like Ethiopia where food insecurity, drought and rain failure is a regular phenomenon. As the result of large farm expansion in Africa UN, some international NGOs (Oxfam, GRAIN), think thanks and scholars have raised domestic food security concern. Van Braun (2009) suggested that the importance to put in the contract terms to stop exporting agricultural production at the time crisis, drought and natural disaster, UN has also expressed the worry that most of the agricultural productions not made for domestic consumption rather it is used for export of the investor country (UN, 2010, 6).

The other important factor related with livelihood of the local farmer is the employment opportunity. The karuturi large-scale farm has created job opportunity for the people in Bako. For example, out of 145 farmers interviewed 45 farmers had the opportunity working in the farm. Majority were working as casual farm workers in temporary working time. In addition, according to the Woreda Investment Desk six people were employed in different positions other than daily laborer. During the research time 29 people employed in karuturi farm and the total number of causal laborers would reach between 45 - 88 people during the peak agricultural working seasons (Key informant interview, 2011). Some farmers considered the

job opportunity as supplementary to their household income, however their complaints about the low wage rate and temporary nature of the work. Other studies conducted in Africa had found similar result about limited job opportunity, temporary work nature and low quality work in most large-scale farm (Cotula, et al., 2009; World Bank, 2010; Kachika, 2010).

If we take optimist view and assume the job opportunity created was for 88 people (seasonal) and 6 contractual workers and compare it with the land cultivated (1500 hectares) by Karuturi, it implies that the farm created job opportunity for 7 workers per 100 hectare of land. But this calculation does not include the number of Indians who are actively working in the farm and Bako field offices. The jobs opportunity created at Karuturi farm were small and not satisfactory when we compare it with average landholding of Ethiopian farmers (about 1 hectare per household) because this small plot could serves five household members.

7.3. Natural Resources Degradation

One of the findings of the survey was the prevalence of deforestation and environmental (land) conflicts in the study area. Out of 145 respondents, 131 people (90%) confirmed increased deforestation in the investment area while 74 people (51%) believe that the farm expansion was the major causes for the destruction. Illegal tree cutters, farming encroachment to forest area by the local farmers was also mentioned as additional factors by 58 people (40%). The focus group discussions and key informant discussions held with farmers, Bako-Tibe Woreda Ministry of agriculture, and Environmental Protection and Rural Land Administration office have had shared the same concern. This sends strong signal for country like Ethiopia where the estimated deforestation rate of the country is alarming from 80,000-200,000 hectare per annum (EPA, 1997).

In this regard, the Environmental Policy of Ethiopia requires Environmental Impact Assessment (EPA) prior to the implementation projects. This has paramount importance in promoting sustainable development of the natural resources of the country. However, Bako-Tibe Woreda Investment Desk, Environmental Protection and Rural Land Administration office and Ministry of agriculture were not able to show up Environmental Impact assessment document that undertaken to the Karuturi farm. Key informants discussion has confirmed that environmental impact assessment was not done for the project at all. On the other hand, Article 10/4 of the contract document signed between the Oromia Investment Commission and Karuturi Agro product Plc states that the company have to covers 2% of the land (about

234 hectare) leased out with tree. This shows the existence of environmental concern but it would be more helpful if the time frame for reforestation was specified.

Environmental (land) conflict between the investor and the local farmers is also another hot issue raised during key informant and group interviews. As the result, 90% of the farmers responded that environmental conflict between the investor and the local community as a major observed problem. The Environmental (land) conflict in Bako seemed to be the result of the non-participation of the local community in the land leasing process from the start to the handing over of the investment land. In parallel with, the right of environmental information articulated in the environmental policy of the country, article 4/7C was not materialized. It states that available information is the legal right of for all parties except that the information is held if it compromises national security, community and intellectual property rights (EPA; 1997).

In this regard, Sidaway (2005) argues that free information availability and inclusiveness (representation of balanced interest, process open to all and involvement of concerned stakeholders in each phase) have a critical role to conflict free management of natural resources. In groups and key informant discussions held during the study period, it was hardly possible to get clear information related with how the investment initiated, data collected and, analyzed from the farmers up to the government concerned bodies working at different level. This clearly shows that the land investment process had been carried out without involving concerned stakeholders in the different stages of land investment. The local population and concerned government offices at Woreda level (even at regional level-Oromia Environmental Protection and Land Administration Bureau) lacked access to basic information as the result they were not part and parcel of the decision making process.

7.4. Conclusion

Concerning large-scale agriculture investment, my point of departure was that if the investment is to result in a win-win situation it has to fulfill the following preconditions: genuine participation of stakeholders, implementation of environmental assessments, clear contribution to the livelihood and food security of the area and creation of employment. The investment plan has to consider the specific contextual situation of the study area. Since the project is a three years old, it is early to make judgment based on comprehensive evaluation effects. Nonetheless, the empirical findings shows that stakeholders' participation was almost

non existence, deforestation was the major environmental concern, job opportunities were low and the contribution to an improved livelihood was minimal.

Despite the provision of the right to consultation and participation of the local community in projects affecting them by the Ethiopian Constitution, Environmental policy of Ethiopia and Investment policy of the country, the Bako-Tibe karuturi large-scale farm was started without prior participation of the concerned stakeholders and in particular the local farmers. The same trends of inadequate consultation and participation were indicated by the informants working at different government offices in the Bako-Tibe Woreda. Although some consultative meetings were held after the land transferred to the investors, the involvements of the farmers were minimum. The role of the local government officials was limited to the implementation of the deal. This top down approach has resulted difficulty in the implementation such as indicating the so called the boundary 'unused land' land. The investment did not failed to take into account the existing land use situation of the area. Farmers who were entitled for compensation for the losses of their farmland were not considered. This has created power in balance between the community and the government (investor).

Critical information gap was observed regarding the land investment at the Bako-Tibe Woreda Investment Desk, Woreda Ministry of Agriculture and Woreda Environmental Protection and Rural Land Use Administration Offices. The flow of information and the mechanism how the information communication channeled was unclear. As the result, the farmers' trust towards the government official to solve their land cases diminished.

The loss of the land did not cause displacement of farmers, but has eroded their livelihood. For example 117 hectare (463 Timad) of land was granted to the investor is claimed by the local farmers and they have been using it for long time. This includes grazing, cultivated and forest (woodlots) plantation land. This has great implication as majority of the farmers are getting their livelihood from the land.

The effect of the large-scale farm to the local household food security was not visible. This is due to the farm has spent only one production season in the area. The farm products were not available in the local market. However, the farm created job opportunities for some people and has contribution to the household income but it was characterized by temporary employment, low quality jobs and poor wage rate.

Deforestation as the result of the large-scale farm is one of the major observed effects in Bako-Tibe Woreda. This could exacerbate the already low level of forest cover of the country.

Lack of demarcation of the boundary of the farm and deforestation land in the area had become the cause for repeated land conflicts between the investors and the local farmers.

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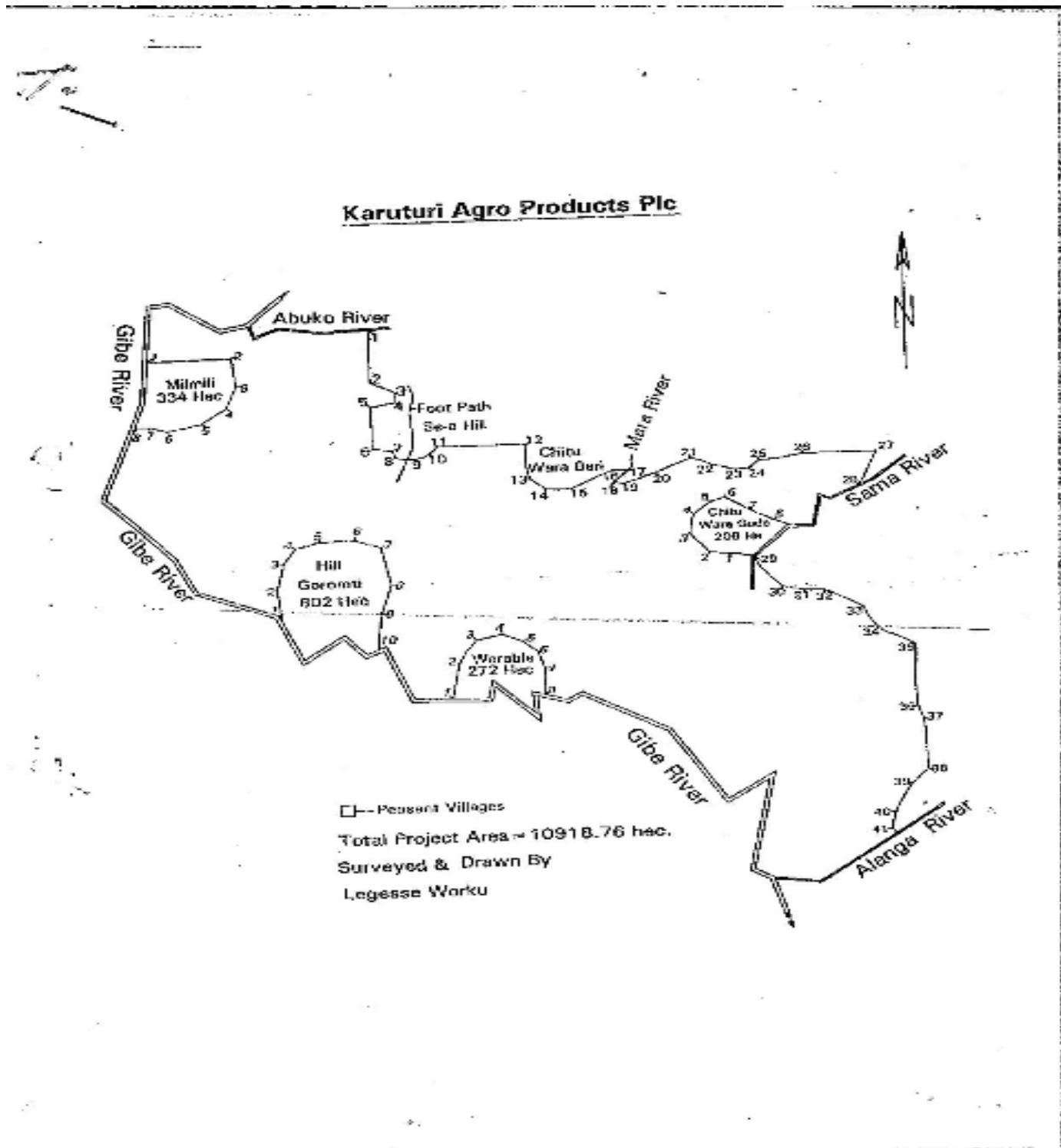
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Annex-1



Source: Karuturi farm, Bako-Tibe Woreda Environment Protection and Rural Land Administration office (2011).