

SITUATIONS OF AGRICULTURAL FOREIGN DIRECT INVESTMENT...

An Exploratory Study on the Situations of Agricultural Foreign Direct Investment and the Perceptions of Local Community: The Case of Anuak Zone, Gambella Regional State, South Western Ethiopia

By: Changkkuoth Khan

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Advisor: Mesele Mangsteab(PhD)

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Thesis Approval form

This is to certify that the thesis prepared by Changuoth Khan entitled: Situations of Agricultural Foreign Direct Investment and the Perceptions of Local Community: The Case of Anuak Zone, Gambella Ethiopia is submitted in partial fulfillment for the requirements of degree of Master of Arts in Social Work. Accordingly, I check and approve that it is conducted according to the regulations of the University and qualifies the requirements and standards with respect to originality and quality. Moreover, I seriously declare that this thesis is not submitted to any other institution anywhere for the award of any academic degree, diploma, or certificate.

Approved by Examming Board

Mesek Mengsteab [Signature] 08 Dec-2015

Advisor

Signature

Date

Dr. Tenagnew Aher

[Signature]

08/12/15

Examiner

Signature

Date

Gretanek M (Dr)

[Signature]

09/12/15

Examiner

Signature

Date

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Abbreviations

BITs	Bilateral Investment Treaties
CEE	Central and Eastern Europe
EIA	Ethiopia Investment Agency
FDI	Foreign Direct investment
FIAS	Foreign Investment Advisory Services
FOA	Food and Agricultural Organization
GATS	General Agreement on Trade in Services
GDP	Growth Domestic Product
GRS	Gambella Regional State
IMF	International Monetary Fund
IPA	Investment and Promotion Agency
Kascol	Kaleya Smallholder Company Ltd
M & As	Merger and acquisitions
MDGs	Millennium Development Goals
MoA	Minister of Agriculture
N.d	No Date
NGOs	Non Governmental Organizations
NOx	Oxide of Nitrogen
OECD	Organization for Economic Co-operation and Development
ODS	Ozone Depleting Substance
PTS	Pesticides and Toxic Substances
R&D	Research and Development
SNNPR	Southern Nation and Nationality People Region
SOEs	State Own Enterprises
TNCs	Transnational companies
TRIMs	Trade Related Investment Measures
TVE	Township and Village Enterprise
US	United States
US\$	United State Dollar
V4	Visegrad Four
WTO	World Trade Organization
ZEMA	Zambia Environment Management Agency

Abstract

In most Africa countries, agriculture is the dominant sector and takes a leading role in the economic growth of a given country. For many other countries, however, agricultural growth and opportunities for meeting the MDGs will be fostered largely through growth in the nonfarm economy, in Agricultural FDI and in agricultural exports that can expand the market for agricultural products. FDI is an international venture in which an investor residing in the home economy acquires a long-term “influence” in the management of an affiliate firm in the host economy. According to the definition, the existence of such long-term influence should be assumed when voting shares or rights controlled by the multinational firm amount to at least 10 percent of total voting shares of rights of the foreign firm. This study focuses on exploring the situations of agricultural foreign direct investment and the perceptions of local community. Specifically, on exploring the existing situations of agricultural foreign direct investment, the positive contributions of agricultural foreign direct investment, the negative consequences of agricultural foreign direct investment and the perceptions of the local people towards agricultural foreign direct investment. As a result, the study found clearing of forest, employment creation as existing situations of gricultural foreign direct investment. It reported employment creation, adoption of agricultural new technologies, and building of infrastrures as the positive contributions of the agricultural FDI. The negative consequences are clearing of forest, displacement, Improper wastes management, destruction of wildlife, shortage of fuel woods, climate change, poisoning agrochemical. Whereas the participants perceptions founded are clearing of forest to reach worse level if the provision of the land continue. Large land provision will lead to more displacement, shortage of grazing land and food insecurity. Conflict will happen due the unequal benefit between local people and investors. Climate condition has keep changing from year to year. These findings could help to design and implement programs that are be suitable for people and investors operating in the study area. It also helps in creating awareness about benefits of agricultural investment to local people whom are claimed by investment. Moreover, it can provide information for further studies. The design of this research is cross-sectional exploratory-descriptive continuum, which utilized qualitative research method. This design has been used for this study because it can encourage the participants of the study to give detailed information about the issue under study. It drawn both primary and secondary data. The data obtained from in-depth interview participants were presented under the themes, which emerged during transcribing and translating the audio taped interview and notes taken during interview. The report of the study presents existing situations, positive contributions, negative consequences of agricultural foreign direct investment, and their perceptions concerning the foreign agricultural investment.

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Chapter One: Introduction

Background of the study

In most Africa countries, agriculture is the dominant sector and takes a leading role in the economic growth of a given country. For many other countries, however, agricultural growth and opportunities for meeting the Millennium Development Goals (MDGs) will be fostered largely through growth in the nonfarm economy, in agricultural Foreign Direct Investment (FDI) and in agricultural exports that can expand the market for agricultural products (World Bank, 2005).

Since early 1990 many developing countries, which rely on agricultural sector, exerted all their efforts in attracting (FDI) in their respective countries. To succeed in this, they introduced a wide range of trade and political reform to create a suitable environment for the development of FDI in their country. As a result, between 2005 and 2007, the overall FDI inflows in Africa grew by nearly 80% from US\$29 billion to US\$53 billion, their highest level so far, despite the global financial crises (UNCTAD, 2008). Even though the real scale of foreign investment in agricultural land may be smaller than what the media suggest in the world, the available evidence shows that FDI is expanding in Africa (FAO, 2013). EIA (2013) 200, 000 ha of land is given to foreign investors in Gambella region. Consequentially, the World Bank's rural development strategy recognizes that agricultural growth is central to reducing poverty. It also acknowledges that outmoded approaches to supporting agriculture must give way to new effective approaches that reflect rapid changes in the African environment for agriculture and economic growth (World Bank, 2005). The participation effect of agricultural growth is on average 1.5 to 2 times larger than that of the nonagricultural sectors in the developing countries (World Bank, 2007). The government of Ethiopia in recognition of the role of the private sector in the economy has

revised the investment code over four times over the last twenty-one years (1992-2013) to make it more transparent, attractive, and competitive. Major positive changes regarding foreign investments have been introduced through investment proclamation No.769/2012 (p.6) (EIA 2013).

The impact of FDI on development is a much-debated topic. Several stakeholders and studies conducted verified existing perceptions about FDI. Some emphasized on positive outcomes and others on negative outcome of FDI. International financial institutions, such as the World Bank and the IMF, as well as the Organization for Economic Co-operation and Development (OECD), and its member states, have increasingly promoted FDI because it creates new jobs, spreads best-practice social and environmental standards, and stimulates the transfer of technology, finally leading to economic growth (Dijk and Stichele, 2008). Similarly, an influential economic rationale for treating foreign capital favorably is that FDI and collection inflows encourage technology transfers that accelerate overall economic growth in recipient countries (Carkovic and Levine, 2004). The increments of foreign financial flows of foreign investors provide various opportunities to host countries. Few of these opportunities are new technologies, knowledge, and international market. Such situations pave the way for the increase in the productivity and total production of agricultural sector in the country (Kazembe and Namazinga, 2007). According to Joachim and Meinzen-Dick (2009), FDI can provide key resources for agriculture, including development of needed infrastructure and expansion of livelihood options for local people. If large-scale land acquisitions cause land expropriation or unsustainable use, however, foreign investments in agricultural land can become politically unacceptable. It is therefore in the long-run interest of investors, host governments, and the local

people involved ensuring that these arrangements are properly negotiated, practices are sustainable, and benefits are shared. Because of the transnational nature of such arrangements, no single institutional mechanism will ensure positive outcome of FDI. Rather, a combination of international law, government policies, and the involvement of civil society, the media, and local communities is needed to minimize the threats and realize the benefits.

On the other hand, many Non Governmental Organizations (NGOs), labor unions, and civil society groups have emphasized the negative effects of FDI. Dijk and Stichele (2008) detailed case study illustrated documenting human rights violations, harmful environmental practices, and tax evasion by Transnational Companies (TNCs) in developing countries. It also does suggest that there is considerable scope for active policies that discriminate in favor of foreign investments that have positive effects on total investment. Moreover, Abebe (2011) large-scale land acquisition by Saudi investors in Gambella regional state caused people to lose access to resources on which they depend for their food security and livelihoods. He also suggested that long-term nature of lease (up to 50 years) means that local communities would be separated from their land for generations, and foreign investors particularly the Saudis are granted long-term land lease at very low annual lease prices. In return, requiring little from their agricultural investment in different forms of benefits to local people and with little care in safeguarding the environment would diminish the benefits the regional state. Separately from this, Saudi investors have priority rights over water, which can have adverse impact on other water users in time of shortage. Similarly, Bossio, Teklu, Dile, McCartney, Killiches, and Hoff, (2012) 200,000 ha of land have been leased to foreign investors in Gambella. Saudi Star has leased 10,000 ha for rice production for export. This is an example of intensive high capital

irrigation development that will divert water from a river that currently supports multiple livelihood functions, as well as valuable ecosystems. This land, was used for maize production using shifting cultivation techniques and some was forestland providing different forms of ecosystem services, such as food, fuel wood, and medicine for the local community. On contrary, EIA (2013) claimed that Ethiopia remains an untapped and unexploited market for investors. China, India, Sudan, Germany, Italy, Turkey, Saudi Arabia, Yemen, the United Kingdom, Israel, Canada, and the United States of America are the major sources of FDI.

In this study the researcher consulted various literatures and has asked participants in Gambella regional state. As a result, the specific problematic location comprehends in this study was the situations of agricultural FDI and perceptions of local people in Gambella regional state. Particularly, the study has understand the existing situations, positive contributions, negative consequences of agricultural FDI and local community's perceptions concerning nearby agricultural investment. Moreover, in order to get detail explanations about the situations of agricultural FDI and perceptions of the local community, small sample size was drawn from local community purposively and an in-depth interview was conducted. Key informant interviews were conducted also to help researcher triangulate the information gathered from participants of the study. The findings of the study were presented using thematic analysis; meanwhile, the findings are discussed in relations to existing literatures and primary information. The study conclusions were drawn based on the result of discussions and finally, recommendations have been provided as result of conclusions.

Statement of the problem

Researchers have been conducting studies on foreign direct investment grounded on both developed and developing countries. Among these investigators, Kumar (2003) and Stephan (2006) have conducted studies on FDI and technologies transfers. They alike found that foreign direct investment has been benefitting the host countries as meant for provision of technologies, and advocating their participation in international trade. They have also another communality .Kumar (2003) conducted his study in developing countries similarly Stephan (2006) dedicated his study in the developing countries, which are central and Eastern Europe countries. Moreover, both of the aforementioned researchers have used different methodologies, which are mixed and quantitative respectively.

On other hand, Contessi, Weinberger, and Alfaro (2009) have conducted studies on FDI and the local growth in developing countries. Similarly, their finding has shown that foreign direct investment plays great role in expansions of capitals needed for growth in the local economy. Although they come up with the similar finding, Contessi and Weinberger (2009) have used quantitative approach while Alfaro (2009) has employed mixed approach. Different from Alfaro (2009), Contessi, and Weinberger (2009) have claimed that some of the developing countries empirically revealed that FDI is boon and bane.

Like other researchers, Carkovic and Levine (2004), Blomstrom and Kokko (2003), and Jeleta (2012) have focused the study on FDI. In particular, they led studies on the relation between foreign direct investment and economic growth both in developed and developing countries. Their studies result have displayed different findings. Carkovic (2004) in collaboration

Levine (2004) found that FDI accelerate economic growth by expansion of limited modern capitals and introduction of modern new productive technologies. Blomstrom and Kokko (2003) stressed that FDI plays critical roles in raising country's technological level; in building new employment and promoting effective cooperation between host country and foreign investment. What is more, both studies have used different methodologies; as result, Jeleta (2011) said that there is a unidirectional connection in low-income countries; causality running from FDI to economic growth. The first two studies have been conducted quantitatively and the last one has employed qualitative methodologies respectively.

Regarding the environmental impacts of agricultural FDI, FAO (2013) and Andrea (2011) found that many farmers complained about chemical inputs affecting workers' life in the investment farms, harming their livestock and the atmosphere as well. Liu (2013) found that agricultural investment has impact on physical environment by dint of deforestation. These studies have some communality in term of approach used, they were conducted qualitatively, but they differ in term of places in which they take place. FAO (2013) and Liu (2013) studies have based on developing countries whereas Andrea (2011) has focused specifically toward Ethiopia.

Social impacts of FDI were studied by FAO (2013), Drahokoupil (2009), and Fu (2004) qualitatively. These studies found that foreign direct investment causes displacement and land scarcity in sub-Sahara regions, creates dependence of local farmers on foreign technologies in developing countries, and promote income and employment growth in china respectively.

Other studies such as World Bank (2005), Joachim and Meinzen-Dick (2009), and Teshome (2012) have focused their lessons on FDI and agricultural growth at global context,

regional level, and country level respectively. They found that FDI in agriculture is often the most effective in promoting agricultural growth and reducing poverty; provides key resources for agriculture including development of needed infrastructures and expansion of livelihood options for local people of the developing countries, and FDI provides various opportunities in terms of financial resource, new technology, knowledge, and international market participation in Ethiopia. These studies have been conducted qualitatively and produce the same findings.

Agricultural FDI has a major concern in Gambella regional state. Studies discussed below suggested why there is a need to explore the area of agricultural FDI in the regional state. As shown below by the existing statistics information of the foreign agricultural investment in the regional state the emphasis has to be placed on exploring it. Gambella covers about 32,033 km² or about 3% of Ethiopia's total area and comprising relatively swampy lowlands, dominated by pastoralists, with an altitude range of 410 to 2300 masl (GRS, 2001). The average rainfall ranges from 463 mm to 2500 mm (MoA, 2011). According to the EIA (2013), 200,000 ha of land have been leased to foreign investors in Gambella – 165,000 to Indian investors and Saudi Star has leased 10,000 ha for rice production for export. Rowden (2011) has summarized the details of these contracts.. MoA (2011) and Pearce (2011) report 200,000 ha of land (large parts of which are located in the Gambella National Park) have been leased or declared to be leased to foreign investors. However, among this 200, 000 ha of land given to foreign investors in Gambella, Anuak zone has large amount of the land provided to foreign investors.

As it shown above, the regional state is more affected by agricultural FDI, and different categories of studies have focused on the ranges of related areas of FDI in order to realize its situations in different places. Obviously, these groups of studies listed below had not touched the

focusing area of this study, and they were conducted in different places from this study. These studies include FDI technologies transfer to local communities, FDI and general local growth, the relation between foreign direct investment with economic growth, FDI environmental impacts, FDI social impacts and its contributions to agricultural growth. As a result, this study focused on the situations of agricultural foreign direct investment and the perceptions of the local community in Gambella Regional State, Anuak Zone. In particular, the paper has discussed the existing situations, positive contributions, negative consequences of agricultural foreign direct investment, and perceptions of local community.

General Objective

- To explore the situations of agricultural foreign direct investment and the perceptions of local community

Specific Objectives

- To explore the existing situations of agricultural foreign direct investment in Gambella Region
- To explore the positive contributions of agricultural foreign direct investment to the local people
- To explore the negative consequences of agricultural foreign direct investment to local people
- To explore the perceptions of the local people towards agricultural foreign direct investment

Major Research question

- What are the situations of agricultural foreign direct investment and the perceptions of local community?

Specific Research Questions

- What are the existing situations of agricultural foreign direct investment in Gambella Region?
- What are the positive contributions of agricultural foreign direct investment to the local people?
- What are the negative consequences of agricultural foreign direct investment to the local people?
- What are the perceptions of the local people towards agricultural foreign direct investment?

Scope and Limitation of the Study

Although there are many foreign investors operating in different zones of the Gambella regional state, it is impossible to conduct this study in all zones of the regional state, as it won't be easy to manage by this type of study. Therefore, this study was limited to Anuak zone because it is highly affected in term of land allocated for agricultural investment, conflicts between people and investors, and destruction of natural forest.

The main aim of this study is limited to exploring the situations of agricultural foreign direct investment as well as the local community perceptions. In particular, it has focused on the

existing situation of agricultural foreign direct investment; positive contributions and negative consequences of agricultural foreign direct investment; perceptions of local people. Therefore, to understand these issues the data for this study has been collected from both the community and key informants from investment agency using an in-depth interview, and observation tools.

Concerning the time, this study has been completed within six months as the university authority for academics research recommended, so every specific activities including proposal development, data collection, data analysis and data interpretation was expected to finish before June.

Significance of the Study

According to World Bank (2005), investments in agricultural research, education, and rural infrastructure are often the most effective in promoting agricultural growth and reducing poverty, though a significant amount of time may pass between the initial investment and its visible impact. Therefore, this study has focused on the exploring the situations of foreign direct agricultural investment and perceptions of the local community. The general situations of the investment include the existing situations, positive contributions, and negative consequences of agricultural FDI. As a result, the study had provided the information regarding the situations of agricultural foreign direct investment and the perceptions of local people. The finding of this study helps to design and implement programs that are be suitable for people and investors operating in the study area. It also helps in creating awareness about benefits of agricultural investment to local people whom are claimed by investment. Moreover, it can provide information for further studies.

Concerning the significance of study for policy makers, based on existing situations of agricultural foreign direct investment and perceptions of local people understood, the study has identify good programs and lessons learnt for the formulation of policies that attract foreign investments, benefit the host country, the local community, and the investors as well.

Organization of the study

The study has been organized as follows. The first part of following sections describes introduction, and the second part discuss the literatures review. Section three has presented research methodology that includes description of the study area, research design, data collection methods, and data analysis methods etc. Section four has introduced the data presentation of the study, which different themes or categories of the findings. Section five is discussion of the findings and section six has described the conclusions, social work implications, and the seventh part presented references. Finally, part eight present questionnaires.

Chapter Two: Literatures Review

The Definition of FDI

The most widely accepted definition of FDI is known as “the International Monetary Fund (IMF)/Organization for Economic Co-operation and Development (OECD) benchmark definition” because it was provided by a joint workforce of these two international organizations with the objective of providing standards to national statistical offices for compiling FDI statistics. The gist of the definition is that FDI is an international venture in which an investor residing in the home economy acquires a long-term “influence” in the management of an affiliate firm in the host economy. According to the definition, the existence of such long-term influence should be assumed when voting shares or rights controlled by the multinational firm amount to at least 10 percent of total voting shares of rights of the foreign firm.

Aggregate FDI flows are the sum of equity capital, reinvested earnings, and other direct investment capital; hence, aggregate FDI flows and stocks include all financial transfers aimed at financing of new investments, plus retained earnings of affiliates, internal loans, and financing of cross-border mergers and acquisitions. FDI flows can be observed from the perspective of the host economy, which records them as inward FDI along with other liabilities in the balance of payments, or from the perspective of the home economy, which records them as outward FDI, a category of assets.

Situations of Agricultural FDI and Perceptions of Local Community

Negative Consequences of Agricultural FDI and Perceptions of Local Community

Concerning the environmental impacts, many farmers complained about chemical inputs affecting workers' life in the investment farms, harming their livestock and the atmosphere in the farmers' user groups became worse after the setting up of the investment farms, "respect and fraternity" changing to "hostility" (Andrea, 2011).

According to FAO (2013) though agriculture is a beneficial and desirable activity, it often brings with it social and environmental costs that are not often taken into account when assessing its full impact. This is at least true in the Zambian context. The Environment Council of Zambia regulations cover issues like environmental impact assessments, air pollution, waste management, pesticides and toxic substances (PTS), water pollution, hazardous waste, and ozone depleting substances (ODS). Presently, both companies claim to adhere to ZEMA standards. However, both projects generate toxic emissions into the air, soil, and water. Additionally, land clearing on a scale practiced by the two projects has the potential to negatively impact the ecosystem. With regard to emissions, both projects are heavy users of chemical fertilizers and some of this fertilizer certainly finds itself in areas beyond the farms through such means as running water, seepage into underground water systems and evaporation. Mpongwe Development Company relies heavily on chemical weed killers. These chemicals are applied through aerial means. This method of application creates the possibility for the chemicals to be blown far beyond the farm with consequent damage to the atmosphere. A related problem is the safe disposal of used containers for pesticides and other toxic substances. Poorly disposed, used

containers are a real danger to the surrounding communities who pick up these containers and start reusing them for such things as water and food storage. The villagers are often not aware of the dangers inherent to the use of such containers. Kascol contributes to polluting the atmosphere through the burning of sugar cane plantations in readiness for harvest. This is done annually and is a source of particulate matter (smog) and of oxides of nitrogen (NO_x). Further, some environmental concerns may not directly be addressed by ZEMA. A study by Andrea (2011) revealed that, for example, industrial scale biofuel plantations negatively impact the environment through deforestation. In this regard, it is reasonable to conclude that the jatropha plantation developed by Bioenergy contributed to deforestation. From the resource point of view, the abstraction of water for irrigation purposes is certainly having some effect on the water resource. Both companies are heavy users of irrigation water and though the impact could not be determined, the abstraction of water to irrigate 2000 hectares must have a telling effect on the resource. On a positive side, Mpongwe Farms practice zero tillage that is an aspect of conservation farming. Kascol also only tills the land once in seven years. Mpongwe does not burn the fields. These practices are more environmentally friendly than the slash-and-burn method, which is practiced by the majority of subsistent farms in the country

With regard to the social impact, it is impossible to assess the livelihood impacts of the loss of land at the time the investment projects started. Local people are now feeling growing land scarcity in the project catchment areas. Growing land scarcity is compounded by the existence of big commercial farms that have been established in the area. The severity of the problem of land scarcity may be appreciated when one considers that apart from the small numbers of people that are in paid employment. Growing land scarcity erodes local access to a

most important livelihood source for rural dwellers. This situation has resulted in tensions at the local level and with the company. The social impact of the problem of land scarcity may also be gauged from a statement made by one villager, a former member of Parliament for Mpongwe who claims to have given the land to MDC in the 1970s: "If I heard that Nampamba (Farm) was closed, I would be very happy because we would get back the land". Yet, it is nearly impossible for the villagers to get back land that is held on leasehold title. Constrained access to land may throw many into poverty, particularly if agricultural investments do not generate sufficient employment for local people. The youths are especially vulnerable, as their land, access is particularly limited, and they may face growing food needs as they establish new households. In the area, the youths who are setting up their independent households can only get pieces of land from that held by their parents, assuming their parents have enough. It is difficult to find suitable "virgin" land that can be brought into production (FAO, 2013).

Peripheral integration, produced by neoliberal transition policies, made the economies in the V4 structurally dependent on foreign capital, which controls access to technology, know-how, and major distribution networks. These structural exigencies represent the main factor accounting for the convergence towards the competition states in Central and Eastern Europe CEE. In the early nineties, the reform strategies throughout the Visa grad Four (V4) followed the neoliberal doctrine of macroeconomic stabilization, market liberalization, and privatization. This in other hand reflects that FDI investment encourages dependence of local former structure on the foreign one because people will just sit waiting for technologies from foreigners rather than trying to improve their own traditional skills (Drahokoupil, 2009).

Positive contributions of Agricultural FDI and Perceptions of Local

The impact of exports and FDI on income and employment growth, development financing, productivity growth and income distribution are analyzed in detail. One of the major contributions of exports to the Chinese economy has been the provision of a 'vent' for its surplus productive capacity and labour. Due to overinvestments in the SOE sector, stagnant consumption growth, uneven income distribution, and structural distortions, there is a substantial surplus productive capacity in china, and exports have provided an effective demand for part of the surplus. More importantly, the combination of export-orientation with FDI and township and village enterprises (TVEs) has successfully utilized the surplus labour, created job opportunities and promoted income growth and industrialization in china. In other words, exports assisted by FDI and TVEs have provided an outlet for china's surplus labour. In this way, exports and FDI have contributed not only to income growth, but also to employment growth. For an overpopulated developing country, these substantial gains are important (Fu, 2004). Similarly, agricultural Foreign Direct Investment and Water Rights: An Institutional Analysis from Ethiopia has shown that employment possibilities of the youth were mentioned as a positive consequence of the investment farms settling in the area (Andrea, 2011).

Firms that expand their foreign operations simultaneously expand their domestic operations, and this relationship persists when actual foreign expansions are replaced by predicted values based on weighted growth rates of foreign economies. Foreign investment that is triggered by foreign economic growth is associated with growing domestic capital accumulation, employment compensation, Research and Development (R&D), and exports to related parties. These results run counter to the simple intuition that foreign direct investment

represents a diversion of domestic economic activity by firms undertaking the foreign investment. This intuition is based on the notion that each firm has a fixed amount of global production, so any additional foreign production comes at the cost of reduced domestic production. Neither firms nor economies operate on such a zero-sum basis, so there is ample reason to think that greater foreign production associated with foreign economic growth might stimulate greater demand for productive factors in the United States (Desai, Foley, Hines JR, 2007).

Of particular importance will be public concerns over foreign direct investment in the economy as a whole and on the overall phenomenon referred to as “globalization”, with its impact on jobs in the economy. Concerns over foreign direct investment, where they exist, stem not so much from the perceived potential losses of international competitiveness that characterized similar concerns in the 1980s, but from potential job losses that could result from mergers and acquisitions, although such losses could occur whether the acquiring company is foreign- or U.S.-owned. Such concerns are offset, at least in part, by the benefits that are perceived to be derived from the inflow of capital and the potential for new jobs being created in local areas (Jackson, 2013). Because such a transfer is assumed to contribute to the technical progress of the host economies, it is also assumed to contribute ultimately to their growth

Contessi and Weinberger (2009). In addition to this, One interesting finding in this section is that in Estonia the export oriented FIEs have on average a much lower labour productivity level than the domestic market oriented foreign affiliates. In Slovenia, however, the preference for export orientation of a foreign affiliate is not correlated with lower labour productivity (Stephan, 2006 p.97.).

Challenges of Agricultural Foreign Direct Investment in Africa

According to Dupasquier and Osakwe (2005), various explanations have been adduced for Africa's poor FDI record. In this empirical literature, the following factors are important determinants of FDI flows to the region.

Uncertainty: One of the reasons why foreign investors are reluctant to invest in Africa, despite its enormous profitable opportunities, is the relatively high degree of uncertainty in the region, which exposes firms to significant risks. Uncertainty in the African region manifests itself in three different ways:

- **Political instability:** The region is politically unstable because of the high incidence of wars, frequent military interventions in politics, and religious and ethnic conflicts. Wars are more likely to occur in Africa than in other regions. The regional susceptibility to war index is 26.3% for Africa compared to 19.4% and 9.9% for Asia and the Western Hemisphere respectively. The study also showed that there is a statistically significant negative correlation between FDI and conflicts in Africa. Political stability is one of the most important determinants of FDI in Africa.

- **Macroeconomic instability:** Instability in macroeconomic variables as evidenced by the high incidence of currency crashes, double digit inflation, and excessive budget deficits, has also limited the regions ability to attract foreign investment. Recent evidence based on African data suggests that countries with high inflation tend to attract less FDI.

- **Lack of policy transparency:** In several African countries, it is often difficult to tell what specific aspects of government policies are. This is due in part to the high frequency of government as well as policy changes in the region and the lack of transparency in

macroeconomic policy. The lack of transparency in economic policy is of concern because it increases transaction costs thereby reducing the incentives for foreign investment.

Inhospitable regulatory environment: The lack of a favorable investment climate also contributed to the low FDI trend observed in the region. In the past, domestic investment policies—for example on profit repatriation as well as on entry into some sectors of the economy—were not conducive to the attraction of FDI. The cost of regulation of entry of new firms in selected countries in Africa and Asia. Clearly, the costs of entry, as a percentage of 1997 GDP per capita, are very high in Africa relative to Asia. Within Africa, the costs are higher in Burkina Faso (133.4%), Senegal (99.6%), Nigeria (99.3%), and Tanzania (86.8%).

Poor infrastructure: The absence of adequate supporting infrastructure: telecommunication, transport, power supply, and skilled labor discourage foreign investment because it increases transaction costs. Furthermore, poor infrastructure reduces the productivity of investments thereby discouraging inflows.

High protectionism: The low integration of Africa into the global economy as well as the high degree of barriers to trade and foreign investment has also been identified as a constraint to boosting FDI to the region.

Increased competition: Globalization has led to an increase in competition for FDI among developing countries thereby making it even more difficult for African countries to attract new investment flows. Relative to other regions of the world, Africa is regarded as a high-risk area. Consequently foreign investors are reluctant to make new investments in—or move existing investments to—the region. The intensification of competition due to globalization has

made an already bad situation worse. It must be pointed out that the intense competition resulting from trade and financial liberalization puts African countries at a disadvantage because they have failed to take advantage of the globalization process—for example, through deepening economic reforms needed to increase their competitiveness and create a supportive environment for foreign investment.

Corruption and weak governance: Weak law enforcement stemming from corruption and the lack of a credible mechanism for the protection of property rights are possible deterrents to FDI in the region. Foreign investors prefer to make investments in countries with very good legal and judicial systems to guarantee the security of their investments.

Poor and ineffective marketing strategy: In the past, African governments set up agencies to promote foreign investment without taking adequate steps to lift the constraints on foreign direct investment in the region. It is therefore not surprising that investment promotion activities in the region have not been as successful as expected. For example, in Nigeria, FDI promotion in the 1990s was accompanied by increased political risk: frequent and abrupt changes in government; religious and ethnic conflicts; and border disputes. In Ethiopia, until recently, promotion activities went hand in hand with the intensification of war with Eritrea. Similar inconsistencies between government promotion activities and domestic political developments can be found in other African countries but the two examples given here are sufficient to illustrate our point. Apart from the idea that promotion activities in the region started earlier than necessary, there is also the problem that Investment Promotion Agencies (IPA) created by domestic governments were highly bureaucratic, expensive to maintain, and have not been successful in reversing the declining trend in FDI flows to the region.

Opportunities of Foreign Direct Investment in Agricultural Sector of Ethiopia

Ethiopia is endowed with abundant agricultural resources, with altitude ranging from 148 meters below sea level to 4.620 meters above it. The country has 18 major and 49 sub agro-ecological zones, each with its own agricultural and biological potential. Thus, the country possesses one of the largest and most diverse genetic resources in the world.

Ethiopia has the soils and climate required for the production of a variety of food crops the major food crops grown are cereals, pulses, and oil seeds. A broad range of fruits and vegetables and cut flowers are fast-growing exports. Coffee, cotton, tobacco, sugar cane, tea, and spices are the main commercial cash crops grown in Ethiopia.

Ethiopia is one of Africa's leading producers of coffee Arabica. The word "coffee" is said to come from Kaffa, a region where coffee has long been a wild crop. Similarly, the country produces some of the best Arabica coffee in the world. It remains the most important export crop, utilizing over 600,000 hectares under cultivation.

Ethiopian tea is some of the best quality tea in the world. In fact, tea from Ethiopia has won acclaim for its taste and aroma. The total area covered by tea plantation in Ethiopia is 2700 hectare. Ethiopia produces only black tea type; however, it has a potential to grow for all types. Currently, it has a capacity to produce 7000 tons of black tea per annum, whereas, the annual tea consumption of the country is about 5000 tones.

Maize is an important crop, which grows in the mid altitude, of the country. There are huge tracts of land in all regions suitable for maize farming. In Particular, maize is mainly

produced in Southern Nation and Nationality People Region (SNNPR) and Oromia regions where there are about 1.77 million hectares under cultivation (EIA, 2013).

Global FDI trends

According to Dijk and Stichele (2008), FDI are cross-border investments by one firm in another with the intention of gaining a degree of control over that firm's operations. Control is commonly defined as owning 10% or more of the ordinary shares of the foreign company. In contrast, portfolio investment, which refers to ownership shares lower than this percentage, are made predominantly for financial reasons, not to gain control. Within FDI, a further distinction can be made between 'greenfield' investment – investments in new facilities or the expansion of existing facilities – and mergers and acquisitions (M&As) – the transfer of ownership from local firms to foreign companies.

World FDI inflows started to accelerate from the mid-1980s onward from US\$ 58 billion in 1985 to an unprecedented level of US\$ 1.4 trillion in 2000. The main reason for this peak in FDI was the internationalization of production and a wave of cross-border M&As. In developing countries M&As were mainly concentrated in newly privatized state-owned businesses, including banks and utilities, such as water, energy and telecommunications.

FDI inflows fell steadily from 2001 until 2003, and then started to increase again, reaching US\$ 1.3 trillion in 2006. About 70% of World FDI inflows go to the developed countries, while the remaining share is attracted by a handful of developing countries, in particular China, Brazil and Mexico. Africa receives only 2.7% of global FDI (mostly extractives), much lower than any of the other developing regions. Nonetheless, although FDI

inflows to most developing countries are small in absolute terms, they make up on average 14 percentage of total investment and therefore have a significant.

The composition of FDI to developing countries across sectors has varied substantially over time and space. During the last decade, FDI has increasingly shifted toward services and away from manufacturing and extractives. However, the increase in mineral prices caused the share of FDI in the primary sector to rise from 7 % in 1989-1991 to 12% in 2003-2005.

At the national level, developing countries have:

Opened up previously closed sectors for foreign investment often as conditionality for World Bank or IMF loans.

Implemented a wide range of policy measures and laws that make it profitable for foreign investors (such as tax holidays, tariff exemptions on imports or exports, free transfer of capital, building of infrastructure), supported by donor incentives such as the World Bank's risk mitigation systems.

Created a favourable business climate such as laws that protect (intellectual) property rights, and avoidance of red tape and long or corrupt court cases.

Set up investment promotion and support agencies, accompanied by donor programmes such as the Investment Promotion Programme.

Regularly reviewed and renewed incentives and regulations for investors, often based on advice of the Foreign Investment Advisory Service (FIAS) of the World Bank, UNCTAD Investment Policy Reviews, and the OECD 'Policy Framework on Investment'.

At the international level, developing countries have signed a number of agreements in favour of foreign investors, including:

Free trade agreements and regional investment treaties and (241 in total in 2006), which liberalise investment and eliminate restrictions on foreign investor operations, such as the General Agreement on Trade in Services (GATS) as part of the World Trade Organisation (WTO), and the North American Free Trade Agreement.

The WTO's Agreement on Trade-Related Investment Measures (TRIMs), which forbids regulations such as local content requirements and restrictions on imports and exports by investors.

Bilateral Investment Treaties (BITs) which protect investors against government measures that could damage their interests, including by using an international panel for the settlement of investment disputes. By 2006 2,573 BITs have been signed, mostly involving developing countries.

Double tax treaties (2651 in total in 2006) that ensure that foreign investors are not taxed both by the host and by the home country. Most of the investment promotion mechanisms and the investment friendly regulations or treaties are based on the assumption that foreign investors need to be attracted through measures that protect them or provide them with financial benefits.

Very few to no instruments or criteria have been built in any of the above mentioned instruments to assess what the impact is on economic development, social development, the environment, and the welfare of the stakeholders such as the labour conditions of the workers

Chapter Three: Research Methodology

Study Design

This research is cross-sectional exploratory-descriptive continuum, which utilized qualitative research method. This design has been used for this study because it can encourage the participants of the study to give detailed information about the issue under study. Case study has been used to conduct this study among other alternative qualitative approaches because it is most helpful to explore brief and details information of the study issue. Kothari (2004) if the research study happens to be an exploratory or a formulative one, wherein the major emphasis is on discovery of ideas and insights, the research design most appropriate must be flexible enough to permit the consideration of many different aspects of a phenomenon. Similarly, this study had looked into the aspects of the situations of agricultural foreign direct investment, which include positive contributions, existing situations, and negative consequences on one hand. On other hand, it looked the perceptions of local community.

According to Kothari (2004), qualitative research concerns with qualitative phenomena relating to or involving quality or kind. Therefore, qualitative research uses multiple data collection methods that are interactive and humanistic. The qualitative methods of data collection are growing, and they increasingly involve active participation by participants and sensitivity to the participants in the study. Qualitative researchers look for involvement of their participants in data collection and seek to build rapport and credibility with the individuals in the study (Creswell, 2002). Therefore, a proper implementation of this design in this study has produced effective results in term of existing situations, positive contributions, and negative

consequences of agricultural foreign direct investment. Moreover, it can provide different perceptions of local community.

The case study is a very popular form of qualitative research method and involves a careful and complete observation of a social unit, be that unit a person, a family, an institution, a cultural group or even the entire community (Payne, 2004). Hence, the case of this research is the community who are living in Anuak zone of Gambella region mainly around Turine and Saudi Star agricultural investment sites. Kothari (2004) Case study is a method, which study phenomena in depth rather than breadth. The case study places more emphasis on the full analysis of a limited number of events or conditions and their interrelations. Therefore, an in depth information about the situations of agricultural foreign direct investment, and perceptions of local community of agricultural foreign direct investment has been acquired from community members (farmers), investment office workers, and Gambella national park bureau.

Description of the Study Area

The Gambella region covers about 32,033 km², which is about 3% of Ethiopia's total area and comprising relatively swampy lowlands, is dominated by pastoralists, with an altitude range of 410 to 2300 masl (GRS, 2001). The Gambella region drains into the Baro-Akobo Rivers and eventually into the White Nile. The average rainfall ranges from 463 mm to 2500 mm (MoA, 2011). The greater part of the Gambella region is covered by woodland and grassland that account for 36.4% and 30.3%, respectively, of the region. Cultivated land, forest, shrub land, swamp and other land use types cover 3.4, 16.7, 4.6, 7.7 and 0.9%, respectively, of the region (GRS, 2001). Gambella is considered to have very high agricultural potential MoA

(2011). According to the Federal Government investment agency (2013), 200,000 ha of land have been leased to foreign investors – 165,000 to Indian investors. Row den (2011) has summarized the details of these contracts. MoA (2011) and Pearce (2011) report 200,000 ha of land (large parts of which are located in the Gambella National Park) have been leased or declared to be leased to foreign investors. The major land cover types of the allocated investment areas are open woodland, with scattered villages, swampy grassland, and shrub land.

Sampling Method

According to Payne & Payne (2004) sampling is the process of selecting a subset, of people or social phenomena to be studied, from the larger 'universe' to which they belong, determined by a balance between resources available; anticipated techniques of analysis. Kothari (2004), many times, it is not possible to examine every item in the population, and sometimes it is possible to obtain sufficiently accurate results by studying only a part of total population. Similarly, in qualitative research, every case is valid and potentially worthy of study. Every case is representative of a specific person's life experiences and interpretations of those experiences; as such, it represents truth and reality for that person. Therefore, a few numbers of individuals can be in qualitative research (Vanderstoep and Johnston, 2009). The purpose of a case study is to understand the characteristics that define a particular bounded system, and perhaps to describe an event or process occurring within that system. The outcome of a case study is a description and interpretation of the case. Of particular focus is the description of the context of the case (Vanderstoep and Johnston, 2009).

As a result, the idea behind qualitative research is to purposefully selected participants or sites (or documents and audio materials) that can best help the researcher understand the problem and the research question. This does not necessarily suggest random sampling or selection of a large number of participants and site, as typically found in quantitative research (Creswell, 2002). Moreover, Payne & Payne (2004), the key characteristic of case studies is that the social unit selected is a single example of the many cases that make up the type of unit in question. Researchers do not usually claim that their findings can automatically be generalized.

Small number (seven) participants are selected from those individuals who are affected by agricultural foreign direct investment. This small sample has been drawn because it is much effective to produce detailed information of the case studied. They have been selected for this study to explore the situations of agricultural investment and perceptions of local community.

Sample Size Determination

Qualitative researchers focus less on a sample's representativeness or on detailed techniques for drawing a probability sample. Instead, they focus on how the sample or small collection of cases units, or activities illuminates key features of social life (Neuman, 2007).

Similarly, he also provided that, in case-study research, a researcher examines, in depth, many features of a few cases over a duration of time with very detailed, varied, and extensive data, often in a qualitative form. Moreover, small-scale study, case studies for main study focus on

single, compact units, they can be carried out on a small-scale, albeit detailed, basis research (Payne & Payne, 2004).

Case studies begin with development of fresh insights. This should not be confused 'pilot study', the step in the research process when methods like questionnaires are 'pre-tested'. By beginning on a small scale, new ways of understanding a specific unit can provide a framework for later research (Payne & Payne, 2004). Therefore, I have conducted small-scale study with five individuals before the main study; the purpose of small-scale study is to provide the main study with preliminary information about the issue under study. Meanwhile, seven participants were acknowledged as effective number for the study.

Finally, an in-depth interview has been conducted with seven study participants, who are farmers in order to gain an in-depth understanding about topic under study in the Anuak zone. All of them had agreed to provide their experiences about the situations of agricultural FDI; nevertheless, the question of about who will be interviewing first was a challenge because each of them wanted to be interviewed a head of one another. Each of them was given 30-minute interview and tape recording was used. Moreover, key informant interviews have been conducted with three officials, in investment bureau Director General and core process manager; one regional park bureau officers have also been interviewed. The purpose of key informants' interview was to obtain confirmation of the information generated through participants' interview and to triangulate the findings. Neuman (2007) the informants must be very familiar with the culture and have to be in position to witness significant events. He or she lives, breathes the culture, and engages in routines in the setting without thinking about them. Therefore, as indicated above the keys informants have been selected purposively base on their experience,

and knowledge to issues related to agricultural foreign investment in Anuak zone as well as their familiarity with the culture of local community.

Data Collection Tools and Procedures

In this study, both primary and secondary data were collected. (Dawson, 2002) to conduct the qualitative case study, it draws data from primary and secondary sources using multiple tools such as in-depth interviews, observations, and documents review rather than depending on single tool. Before the starting of data collection procedures in this study, researcher has been able to establish rapport with the participants. Primary data were gathered using participants' interviews, key informants' in-depth interview, and researcher observation of the visible circumstances of the issues understudy. Secondary data were collected from documents review. The documents include books, thesis papers, dissertation papers, articles, and journals.

Data gathered through in-depth interview were collected from seven participants who are farmers in the Anuak zone. The interviews were conducted in the community at their homes. Each of them was given thirty-minute interview and their experiences about situations of agricultural foreign direct investment were recorded with tape recorder. They were informed to explain their experience freely. Dawson (2002) in using this tool, the participant is free to talk about what he or she deems important, with little directional influence from the researcher. This type of interview can only be used for qualitative research; nevertheless, the challenge faced during this interview was two farmers refusal to involve in the interview because they feel that the interview is the time wasting but when they were informed that they would take only 30-

minute to end they agreed to involve. Moreover, complaining to precede one another into interview was also another test faced with this data-gathering tool. Dawson (2002) in using in-depth interview, some participants find it very difficult to remain quiet while another person talks, sometimes for hours on end because interview take place without the presence of other.

Key informant interviews were also conducted with three governmental personnel. Among these informants, two were from regional investment bureau and zonal investment office. Other one, who is officer in Gambella regional park bureau, was interviewed also. Yin (2003) key informant interviews is critical in order to confirm information generated through participant in-depth interview. The interviews take place in their offices; nevertheless, the difficulty to conduct interview was the major challenged faced by the researcher because key informants were busy for their official work.

According to Hancock and Algozzine (2006), a frequent source of information in case study research is observations of the research setting by the researcher. In this study, participant observation was conducted to obtain the visible phenomena of the situations of agricultural foreign direct investment. Kothari (2004) if the observer observes by making himself, more or less, a member of the group he is observing so that he can experience what the members of the group experience, the observation is called as the participant observation..

Hancock and Algozzine (2006) the most important factor in the observation is for the researcher to identify what must be observed in order to shed light on possible answers to the research questions. In this study, the observation guide was created. The observations were conducted on April 12, 13, and 14. The former was conducted on the morning and the latter two were conducted on the late afternoon. The issues absorbed in this study were physical environment,

zonal water bodies, local people, and physical infrastructures. The observations were conducted nearby community. Hancock and Algozzine (2006) a case study researcher should create an observation guide—a list of features to be addressed during a particular observation (in this study see annex IV). This list often includes the time/date/location of the observation, names/positions of persons being observed, specific activities and events related to the research questions, and initial impressions and interpretations of the activities and events under observation.

In this study, documents from internet, published and unpublished materials, thesis, and dissertation papers as well as articles have been used for this study. Hancock and Algozzine (2006) case study researchers often review existing documents or create and administer new documents from which to gather information related to the research questions. Documents take many forms and often vary in usefulness. A thorough researcher gathers information from as many relevant documents as possible.

Data Analysis

This study has used thematic analysis. The data collection, analysis, and report writing have taken place simultaneously because the researcher given meaning to participant feelings as well as different terminologies with several meanings while interviewing. The process of data collection, data analysis, and report writing are not distinct steps in the process; they are interrelated and often go on simultaneously in a research project (Reswell N.d). The data, after collection, has been processed, and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan. Data analysis in qualitative research consists of preparing and organizing the data (i.e., text data as in transcripts, or image data as in

photographs) for analysis, then reducing the data into themes through a process of coding and condensing the codes, and finally representing the data in figures, tables, or a discussion (Reswell, N.d). The researcher listened to the recorded tape several time before proceeding to transcription. Once the researcher familiarized with the recorded tape all the conversations recorded had been transcribed. Transcripts are needed to make fleeting conversational behavior permanently available on paper for scientific analysis. After transcript, data were translated from Anuak language to English. The data were organized into codes; and the research questions and the literatures were prearranged to categorize the codes under themes. As the result, codes were condensed under four major basic themes in accordance to their effectiveness in answering the research questions. The major general themes of the situations agricultural foreign direct investment were existing situations, positive contributions, negative consequences, and perceptions of local community. The existing situations contained sub-themes, which include deforestation, employment creation, toxic agrochemical, destruction of national park, and transfer of agricultural technologies. On other hand, creation of employment opportunities, adoption of agricultural technologies, and building infrastructure were recognized as the positive contributions of agricultural foreign investment. On contrary, displacement of local people, atmospheric change, noisy created by investment automobiles, shortage of fuel woods constitute negative part on one hand whereas loss of livestock grazing land, predicted land scarcity, and loss of local income which are caused by large-scale land acquisition constitute other negatives part of the investment. The positive and negative perceptions of the people have been presented under the perceptions local community major theme.

Creswell's (2002) linear hierarchical approach was used as a guide to analyze the data of this study. First, the data has to be organized and prepared for analysis; the audiotaped raw data has to be transcribed, and then translated into English. Identification numbers given and name changed to identify each individual cases and to maintain confidentially. During transcribing the data, due emphasis has to be for non-verbal expressions (sighs, sobs, laughter...) and foreign language words and expressions have been put in parenthesis. Secondly, after intense and repeated reading of the transcribed written records the general sense of the information has to be obtained. The third step is coding data by identifying "striking points" and "meaning units" by using in vivo coding words directly emerged from participants (Creswell, 2002; Pagett, 2008). As pagget (2008) suggests, the right margin of the transcript has to be written in relevant sections and code has been assigned to label them. After transcripts, preliminary lists of codes have formed into large quantities, and applied on additional transcripts. Over time, some codes drop or absorb by another code, and some codes have been divided into sub codes. Then the relationship between codes has been map. The research questions and the literature have referred to predetermined codes. In addition, emerging codes have also been included. The fourth step is, finding the most descriptive topic from the code list. By doing this, the long list of the codes has to be downsizing into themes or categories. The themes have to be considered as major findings of the study, and use as a heading in the findings section of the study. The themes then have to be analyzed for each individual case (Creswell, 2002). Fifth step different from this hierarchy, the data obtained in this study were presented inform of discussion and the existing literatures have been used to confirm the communalities and the changes found in this study and the literatures.

Quality Assurance

In this research, the data were collected from both primary and secondary sources. However, having obtained these data does not guarantee the quality of this study. Therefore, to secure the quality of this study, triangulation, long-term engagement of the researcher with the participants, and the authenticity of the research were employed for this study.

In triangulation, this study has a make use of multiple and different sources (key informants, participants and researcher field observations) methods, investigators, and theories to provide corroborating evidence. Typically, this process involves corroborating evidence from different sources to shed light on a theme or perspective. Particularly, data collected from study participants were verified from key informal in-depth interview and vice versa. As Creswell (2002, p. 222) succinctly put it triangulating different data sources of information is important by examining evidence from the sources and using it to build a coherent justification for themes.

Other criterion to assure the quality of this research result is a Long-term engagement of the researcher in the field. The field investigator has been familiar with research site and has spent a long time in the field during the data collection. In particular, the investigator is familiar with the life world of the participants before the study take place, their life history since the inception of the investment in their area, the culture of the people and their life before investment. Flick, Kardorff and Steinke (2004) the investigator should verify the effectiveness of the data collected if he or she is familiar with research objective and has long time engagement with research participants. Similarly, (Creswell, 2002, p. 222) spend prolonged time in the field. In this way, the researcher develops an in-depth understanding of the phenomenon under study and can convey detail about the site and the people that lends credibility to the narrative account.

The third test used in this study is authenticity. Flick, Kardorff and Steinke (2004) in authenticity test; the criteria for qualitative evaluation research relates to domains of the study. Based on this test the investigator has taken an adequate care of the statements of interviewees and the fundamental value-structures during the research process; the multiple constructs of informants collected appropriately during the research process as well as their systematically relations to one another, and they tested for their validity, by 'member check' with the informants.

Ethical Consideration

Research ethics has become an area of much greater concern in recent years; with many universities, and research funders requiring that research receive ethical approval before it is carried out (Sapsford and Juppt, 2006). This study has considered the ethical issues in order to obtain effective information of the issue understudy. This ethical consideration has entertained the autonomy of the person, justice, and beneficence.

Before data collection takes place, the official letter of approval has been submitted to Anuak Zone investment office where the study will take place. The researcher has selected the research participants based on their consent. Next to this, the researcher introduced himself. He has informed the research participants about the purpose of the study, the benefits and notions of risk of participation, guarantee of confidentiality, and assurance of withdrawal at any time during the interview and provision of contact address for possible questions that might arise (See annex I). (Creswell, 2002) suggests that consent has a brief description about the identification of the researcher, how participants have been selected, the purpose of the research,

the benefits and notions of risk of participation, guarantee of confidentiality, and assurance of withdrawal at any time during the interview and provision of contact address for possible questions that might arise.

Every possible effort has been made to ensure secrecy, not to disclose the identities of the participants and the information they provide without their permission. Thus, participants' number and names change has been used to preserve anonymity trust. Creswell (2002) researchers need to safeguard the research participants in all the way and need to develop the trust.

All the seven participants were involved in the study and each of them was given 50 birr to compensate the time they waste during the interviews. Moreover, the compensation is good for maintaining fairness in term of balancing the burden of time wasting between researcher and the participants of the study during data collection. Their experiences of the situations of agricultural foreign direct investment were recorded, and some information that are not relevant to the study have not been recorded, for example crying, insulting particular government officers, and government as whole.

Chapter Four: Data Presentation

This chapter presents the data obtained from study that are helpful in answering the research questions. It has two parts. The first part presents the background information of the participants and key informants in order to inform the reader about individuals that shared their experiences. The second part of this chapter, presents themes from the case study. These themes are discussed based on the situations of agricultural foreign direct investment and the perceptions of the local community. Moreover, thematic presentation is used to examine and present the data obtained from participants and key informants of the study.

Participants Background Information

In-depth Interview Participants

In this study, seven farmers including males (four) and females (three) participated in the in-depth interview. All of the participants live in Anuak zone and they are located at areas affected by the foreign agricultural investment. Two of them (Oman & Ariet) used to be employed in agricultural foreign investment, other never work and other currently employed in agricultural investment. Each of them speaks Anuak language and they all are Christian, in a creed called protestant. Two females are married, three males are married, two divorced (one female and one male), and their ages range from 25-48. As shown on table two of them are illiterate (one female and one male), and other five are literate (three males and two females). Their average family size is 5.2.

Table 1: Summary of Participants background information

Name	Age	Sex	Marital status	Family size	Educational status	Ethnic group	Religion
Agoa	42	male	married	7	Literate	Amhara	protestant
Akech	28	female	married	3	Literate	Anuak	protestant
Ajulu	25	female	married	4	Literate	Anuak	protestant
Ariet	39	female	divorced	6	Illiterate	Oromo	protestant
Lual	40	male	divorced	5	Illiterate	Anuak	protestant
Obang	42	male	married	8	Literate	Anuak	protestant
Oman	48	male	married	4	Literate	Anuak	protestant

Key Informants

In this study, three key informants (two males, and one female) were selected purposively based on their service experience and interview was conducted individually. They all are known and recognized as participants in agricultural investment activities starting from land provision up to mediating between local people and investors if there are issues to be solved. They are aged 58, 41 and 38 years. All are married, they have working experience of more than seven years in agricultural investment office.

Table 2: Summary of Key Informants Background Information

Key informant	Age	Sex	Profession	Years in service	Ethnic group
1	58	Male	Lawyer	17	Anuak
2	41	Male	Agricultural expert	12	Tigre
3	38	Female	Engineer	8	Anuak

Thematic Presentation

The data obtained from in-depth interview participants were presented under the themes, which emerged during transcribing and translating the audio taped interview and notes taken during interview. Some of them claimed that they have face different problems caused by agricultural foreign direct investment, which include displacement, flooding, and poisonous chemicals. Some of them acknowledged that they have benefited from investment inform of employment, adoption of agricultural technologies.

All participants narrated their current situations with agricultural investment and former situations before inception of agricultural investment. Their former situations before inception of agricultural foreign direct investment were described as little bit better in term of land, climate, incident of natural disaster, and the condition of wild life though the challenges are inevitable. The livestock and crop production, and wild products were their only sources of the incomes. The positive contributions of their natural environment are provision of grazing land for their livestock, easy accessibility to fuel wood, and good climatic conditions. However, though there are positive contributions of their natural environment, some participants claimed that investment decrease the incident of attacking livestock by predators (lions and tigers..) as investment cleared the forest and preys run away from nearby community; meanwhile, the predators followed the prey and the rate of attacking livestock declined.

Moreover, after the establishment of agricultural foreign direct investment, all participants of this study reported some positive contributions of agricultural investment. These include employment opportunity creation, transmission of agricultural modern new technologies to the local dwellers, and public services like road etc. Although it provides these positive

contributions, agricultural foreign direct investment possesses negative consequences. These negative consequences are displacement of people in favor of investment, clearing of the forest, flood, and unsafe wastes disposal that can threaten the life of local community.

Finally, after repeatedly reading of transcription of the narration from the participants, their experience of the situations of agricultural foreign direct investment as well as their perceptions toward foreign investment were categorized into four sub-themes. They are (1) the existing situations of agricultural foreign direct investment (2) the positive contributions of agricultural foreign direct investment (3) the negative consequences of agricultural foreign direct investment (4) the perceptions of local community. Therefore, the experiences of the participants related to the situations of agricultural foreign direct investment are presented below in accordance with common themes or categories.

The Existing Situations of Agricultural Foreign Direct Investment

As revealed by the researcher observation the agricultural FDI has negative existing situations in the zone. These negative existing situations include clearing of forest and displacement of people. One of the respondents Agoa claimed that the “investment displaces people with the permission from regional and zonal governments; whereas neither government nor investors give compensation for properties lost”. Therefore, as Agoa said, agricultural foreign investment causes properties loss and displacement. They also claimed that the agricultural foreign investment clears forest that could lead to movement of wild animals out of the zone and they do not take care of their wastes like (plastic, containers of agrochemical). Obang explained his experiences as follows:

There are old trees I know when I am 15 years old; these trees are too big to cut with local instruments, they have been here till the establishment of agricultural investment in our zone. And when we see them continuously cutting down by investors, whom do not cut the forest of their own country we all start to see them as enemies.

Another participant Oman also explains his experience about existing situation of the agricultural investment.

Ten years back I have started hunting for deer and gazelle, early I used to get them near to community but lately I walk too far and I may come back without getting anything. My great grandfathers were the pioneer of this land and they were hunting them for their survival but the animals never migrate out like now.

Moreover, people have recognized the importance of agricultural investment. They believe that agricultural investment creates employment opportunities for the people but the wage rate and over all benefits are not equivalent to the working hours and investors' benefits respectively. They also discuss the transmission of agricultural modern technologies to local community particularly those farmers working in the agricultural foreign investment, and their contribution to building of infrastructure. Obang said, "I never cultivate rice before the arrival of agricultural foreign direct investment, however, now I have been cultivating rice successfully because I learn how to grow it from Saudi-star". Oman also said, "I have been working partly from foreign investors' farm. Although the wage is not enough for me no one could employ me".

Positive Contributions of Agricultural Foreign Direct Investment to social environment

Participants and key informant of the study claimed that agricultural foreign direct investments have brought positive contributions to local community. These positive contributions major include employment opportunities, transmission of agricultural modern technologies, and building of infrastructures. I have experienced and identified the same positive contributions of agricultural foreign direct investment, which are also reported by the participants and key informants. These positive contributions are discussed here below.

Employment Opportunities

There are people who mentioned that agricultural investment have given them jobs and they are appreciating investment for this job creation. They indicated the positions where the local people are able to be employ at. These positions include driving, harvesting, guarding, protections of birds and clearance of weeds with tract drivers. One of the key informant said, "Saudi investment group have announced a vacancy that require two experienced tract drivers". The participants reported that local people are employed on short-term appointment in the beginning, and then, promote to permanent base employment just in accordance with one performance at work place. Meaning, investors employ local staff on permanent base unless the employee make a mistake he/she should not lose his or her job. He/she works part time in agricultural investment because they are not satisfied with wage rate. Oman said, "I was employed as garden keeper in the beginning and now I am promoted as Track driver". Ariet said, "I was employed as bird protectors and quit when I felt that I should get promotion in some time but not".

Adoption of New Agricultural Technologies

Participants and key informants have believed that foreign agricultural investment indirectly helps its employees to learn successful mechanism of cultivating rice and cotton that are not cultivating in the zone before the arrival of the agricultural foreign direct investment. Now agricultural investment's employee started to apply technologies they learnt from agricultural investment on their private farm. According to these participants, the investment technologies have more outputs than their tradition one in term money generated when sell. The investment bureau official Said, "Local people employed by investors have adopt the new technology than non-employed because they work closely with investors".

Participants and key informants also said that agricultural foreign direct investment contributes directly to promotion of local technologies. While community is adapting foreign technologies, foreign investors also help improving the existing local technologies and the local community learns from their results. They buy local maize and sorghum seed from regional agricultural institute and produce more produces than local people cultivating the same local maize and sorghum do. Agoa said, "When I see the foreign investors produce I thought that they are not the ones we were cultivating for years".

In addition to improvement of existing technologies, foreign agricultural direct investors teach local community of post-harvesting proper handling of the produce before offering for market and consumption. Participants stress the importance of post-harvest handling of produces, saying that it constitute the biggest lose particularly perishable produces. Lual said, "The zonal government tried it best to help farmers manage harvested products but its services does not

reach all farmers; as a result farmers working in agricultural investment learn from them and diffuse it to other farmers in the community”.

Participants also recognized that agricultural foreign investment plays greater role by helping people to learn different techniques and method of preventing soil erosion. It also helps farmers in technical application of anti- insects chemical that can help to prevent the lose outputs during insects outbreak. Lual said, “I have learned how to prepare seedbed that would not allow erosion to occur from foreign investors”.

Building of Infrastructures

Key informants interview and the participant observation understand that agricultural foreign direct investment helps in building of public services. I have seen a new road connecting Goog and Abobo waredas of Anuak zone. Turkey agricultural investors company called Turin built the road. A key informant said, “The road is important for easy access of the two woredas”. It is 28 kilometers road. Lual said, “Before the building of that road it was very difficult for easy movement between people of the two woredas”. Moreover, participants also believe that agricultural investors in collaboration with regional villagelization program constructed clean drinking water pipes to the local community residing around the investment area. However, Areit, said, “ the construction of water pipe is the way to convince displaced people just to prevent conflict arising between investors and local community because we thought that it is systematic displacement”.

Negative Consequences of Agricultural Foreign Direct Investment on environment

The participants of this study claimed that agricultural foreign investment has brought some negative consequences on physical and social environments of the Anuak zone. The negative consequences on physical environment include clearing of forest, improper wastes management, poisoning of animals grazing land by their agrochemical, destruction of shelter of wild life, and change in climatic condition. Lual reported, "The rain is not raining like before even Abobo Lake has now shown reduction of water and we reason it out as caused by clearing of forest by foreign investors".

Concerning about social environment they said that basic problems facing social environment are displacement of local people, loss of livestock grazing land, predicted land scarcity, and loss of local income, which are caused by large-scale land acquisition, noisy creation by investment automobiles, and shortage of fuel woods. In details, Participants, and key informants in-depth interviews reported that agricultural investment deteriorated the physical and social environment in one these ways discussed.

Clearing of Forest

In-depth interview with participants and key informants as well as observations showed that agricultural foreign investment clears forest and this is supported by the participants' observation. I absorbed the agricultural foreign investment denying local people to their forest. Foreign investors cut forest to use the land for cultivation and they are not alone when cutting forest, government orders to clear forestland. An officer in the investment bureau, who is one of the key informants, supported the issue. He said,

Last year in 2014 Chinese agricultural investors were approved to possess land in Gog, Anuak zone and I was the one chosen by office to show them the land; I went there together with them and unfortunately, the land offered to them was cover by forest. The Chines investors turn down to cut the forest and tell government to provide field rather than forest land to them. After all, the government refused and Chines investor cut trees.

As I absorbed so far in areas given for agricultural foreign investment in this year, the evident of cutting forest is visible in every farmland but there are some foreign investors who did not start yet sowing any type of the crops as I have witness from other do. Moreover, one of key informant who is agricultural expert reported this.

Investor takes land and clears the forest but they did not cultivate any type of crops now and most of them reason out that it is a lack of capitals. I blame government to allow land to an investor who has no ability to use. The political pressure has importance in giving land to people who are not able to fulfill acquired criteria. Some investors do not concern regional government in activities that could acquire the involvement of regional government rather they go directly to federal government and complete the issue; an example of this is Kareturi Company.

Displacement

Participants of this study reported that agricultural FDI has displaced local people since the inception of the investment in the Zone. Among seven participants involved in the study, three of them were displaced. They explained their feelings as a result of the displacement. They said that the land they left for agricultural foreign investment was inherited to them by their ancestors and it has been a source of the livelihood and they depend on it for survival in the

world. They feel that when they were displaced, government in collaboration with investors must provide us with compensation. When displaced, we lost our houses and gardens; therefore, it is very clear that we don't have other mean of survival to establish firmly in new area unless the one responsible for our displacement provide compensation. Lual said, "We depend on land for our survival; therefore, when taken, I can said we lost all we have unless we are given compensation for establishment in new area".

As we live in community for hundreds of years, we have had developed a social capital in the community that is the strongest capitals which make it possible for us to live together, manage our neighborhood against any problem occurred and benefits that need our collective effort. However, when displaced we felt that we lost the social capital because we would be new to each other in the new area. As a result, life becomes difficult trying to exert more effort in order to cope up with new environment. Agoa said, "Peaceful co-existence in neighborhood is not something achieved through campaign but it something acquired through time. Now we will not develop it easily because we become new to each other".

Participants also reported that they have things that they left in their former land which are not possible to take with them into new areas. These things include ancestors' graves and fruit trees. They said that their culture does not allow them to leave the ancestors graves for other place; however, neither regional Government nor Zonal consider our appeal. We also asked the government about how to take our fruit trees with us and have not given us any answers. Oman reported that, "We planted fruit trees that help us in fulfilling our nutritional requirement for them and now we left them without something to compensate".

Improper Wastes Management

During data collection, I visited Turin camp, I absorbed it, and I found that they did not properly manage their wastes product. Around their camp plastic used as a container for their chemical were improperly disposed. Participants of this study say that their livestock eat and children as well use them for different purpose. One of the participants, Ajulu, reported that “In the village she lives in, children drink poisonous chemical thinking that are something eatable and children die. When people investigate where the chemical come from, they found that it is from agricultural investors.”

Akech also reported her experience as follow:

The livestock are consuming plastics wastes. Some livestock died until now when we check their stomach we always found the plastic tided their intestines. In 2014, one cows of our neighbor died and the owner checked the stomach of his cows and he found the plastic inside the intestine of the cows; fortunately, we eat the meat because the cause of the dearth was known.

Destruction of Wildlife

Based on the observation made so far, cutting of trees is evidence witnessed in any investment being observed. Similarly, participants of this study witnessed when the clearing forest occurred and they say the clearing of forest is due to the motive that the land given for investment is a forestland. As a result, the wild animals' shelter could be destroyed evicting them to move to other areas where the forests are not cleared. Particularly, Obang reported, “wild animals have migrated to Ethio-South Sudanese border. I know some hunters who travel so far to

get the animals otherwise they cannot get them". Moreover, one key informant, who is agriculturist by profession, stresses his expectation about destruction of wild life. He said:

1.2 million hectares of land in Gambella is granted for agricultural investment but until now the average size provided is below this figure and when it exceed the current amount, the destruction of wild life will reach worsen unprecedented maximum level. Although, we invite national park expert in provision of land for investment farmland the Gambella regional state territory is grassland with dense and scattered forest. Therefore, we could not do anything unless we are ordered by regional government to leave the Gambella territory for park, which is also impossible for regional government because opening land for investment is not an issue that can be decided by regional government alone. As a result, we would leave the issue in the hand of federal government.

Shortage of Fuel Woods

There are individuals who believed that cutting of forest lead to shortage of fuel wood, which is the only source of energy for cooking, for people who lack options. They claimed that before the arrival of investment farms in the area, women collect fuel wood with less effort but now, they travel too far seeking fuel wood. Women who have this role in society suffer too much. They wake up early in the morning before sunrises or immediately when sunrises and come back in the mid-day. This negative consequence of agricultural foreign investment affected the woman group because they possess the role in the society. According to participants, this

indirectly affects the infants because when their mothers go for that work they suffer a lot because their mothers are the ones who feed them. It also affect the effort of women to learn, Akech said, “Before investment arrival in the area, the fuel woods were collected around the home, that mean you can wake up in the morning, collect them and go to school”. Moreover, Oman said, “Government who provided the forest to investors and investors themselves should not clear the forest for their own benefits, this land was promised to us by God, It belong to us before the arrival of agricultural investment to this land”.

Climate Change

As a negative consequence of agricultural FDI both key informants and participants of this study claimed that agricultural investment in the zone has caused a change in climatic condition in zone by its clearing of the forest and release of toxic gases in the atmosphere. The zonal water bodies is one example, Abobo Lake verify this. The lake water never decreases as it is in these years of investment arrival. ” Other participants of this study claim that the maximum use of water by foreign investors resulted into decrease of water in the lake and then into decrease in quality of water. They said in the dry season the lake water always contains more soil particle. This as a result makes it difficult for people to drink easily like before unless a filter instrument is used.

Other sign of climatic change is the zonal ponds that are used as the drinking water for livestock. These ponds now dried off and people place this problem to the agricultural investment. . Agoa said, “When ponds dried the only water source for our livestock and people of the zone is Abobo Lake which is also reducing its water now”. Other participants also said

ponds safe as water source for cattle of people who live very far from Abobo Lake; however, after the pond dry people travel up to the lake in order to get their cattle drink and bring drinking water for themselves.

The intensity of hotness of temperature was also felt increased. Participants said they use to start working on their gardens early at 2 o'clock up to 11 o'clock in the morning and in afternoon from 3 o'clock to 6 o'clock but now the temperature become very high forcing them to work for few hours both in the morning and afternoon. In addition, they said that it become difficult for them to travel to town and sell their produce in the midday which is the only free time they don't work on their gardens because the temperature of the midday has become so high to allow them to walk. Key informants also reported that government of the regional state has reduced the office working hours both in the morning and in the afternoon because the temperature becomes so high in some hours in a day.

A key informant who is lawyer by profession and other people mentioned that there was an event of flooding in the communities near to investors' farmland. During the summer, the river water flow out turning the area to the vast swamp and foreign investors tried to stop water against their farm by channeling to other direction. Consequentially, the water flow out into the community, flooding the area. Local people call this flooding as man made one.

Oman said, 'Lack protection of people by government against foreign investors has resulted into this problem'.

People claimed that there is reduction of rainfall that has occurred since the arrival of investment. Before the settlement of the agricultural investment, the rainfalls start early

and continue dropping up to winter. However, the rain does not start like before and continue up to winter. Farmers use to cultivate twice in summer and winter seasons per a year but know the rainfall received in winter season has become little to supply the water requirement of the crops. The winter becomes dry season and this has resulted into one cultivation season which is summer. Though it rains in summer people claimed that the amount of rainfall decreased as shown by quality of produces.

Poisoning Agrochemical

Participants of this study claimed that investors use malatine to kill the pest and weed. This chemical is drained out of their farm into livestock grazing land by rainwater and the cattle eat that grasses and died. To confirm this, Agoa said, "Some of their cows were arrested when they went to the investors' farm, and eat the seedling. The cows were released and died". Moreover, there is a claim that the route that lead the cows to the grazing land is in the middle of the investors' garden and while moving the cows eat the grasses at the back of their garden. This had result into death of other cows.

The office of agricultural research institute also understand that there is a claims from farmer that the outbreak of new cattle disease that has never been seen in the area. Similarly, as stakeholder in livestock production, Gambella agricultural research institute has supported the claims of the farmer because it was not aware about the disease before, however, they did not confirm yet through the research.

Perceptions of Local Community

This category present different perceptions forwarded by participants of the study. The study presented that local people perceived that the investment does not respect the benefits of the coming generation because large land acquisition by agricultural foreign investment and provision of land for 50 years to agricultural investors mean that land scarcity will become worsen in the future and people would be deny of their land for very longtime. Oman said, “Land today is considered as a limited resource when compare to population growth. In addition, the soil nutrients are not stable forever; they can be consumed base on the time that land is used for”. The agricultural investors operating in Anuak zone are foreign investors and local people claimed that investors are now taking the advantages of the land, which has not been used since the time of Adam and Eve. The fertility of this virgin land will not be regained back again. Local citizens may have capacity to obtain the capitals required for large production tomorrow. However, the long-term lease of land up to 50 years means that the local people will be separated from their land for a generation. This implies that local people in generations are denied to use the advantage of their own land. Ariet said, “This would encourage us not to move in progress because our hope is undermined by large-land acquisition and long-term provision of their land to foreign agricultural foreign investors”.

Moreover, participants of the study also believe that agricultural foreign investment clears forest. Lual said, “I understand that if this clearing of the forest continue, the forest of the zone will be cleared completely. As a result, the amount of the rainfall will decrease and this will lead to more food insecurity that is already insecure before because the land productivity will decline due to the reduction of rainfall”. Similarly, they reported that poverty will be worse than

before because the agricultural investment is exploiting the natural capitals (soil fertility) of local people than adding them to their progress. In addition to these, shortage of grazing land and the use of toxic agrochemical will be the problem of the farmers because the land will be occupied completely by agricultural investment and this will contribute to the worsening of poverty because livestock production is one among the strategies to Ethiopian food security strategies. Oman said, "This has tremendous effect on our life because grazing land is natural resource which cannot be increase by anyone".

Other perception forwarded by participants of this study is believe that conflicts have occurred and will continue to occur between agricultural foreign investors and the local people because foreign agricultural foreign direct investors are working for their own benefits rather than the mutual benefits with local community counterpart. Ajulu said, "In 2013, two Saudi investors were killed by the youth groups who are questioning the probable implementation of investment".

According to the participants, the issue of fuel woods will also be an issue of concern because local community has no other options of energy and they will suffer a lot because they will not get fuel wood due to investment clearance of the forest unless zonal government brings other options of the energy in the community. Ajulu said, "Women never suffer as they do now in this zone".

There are people also who claimed that the destruction of wildlife will force wild animals to migrate into other nearby places where the forest are not cleared. Oman said, "I know that animals do not like place where the forest cleared and where they hear noisy. Therefore, there is

no doubt that the wild animals' population is decreasing now in the Anuak zone you can find agricultural investors in any of its corners”.

Chapter Five: Discussion

In this study, the experience of farmers affected by agricultural foreign direct investment was assessed qualitatively using in-depth interview guide with seven participants and three key informants at zonal investment office. Generally, the study focuses on exploring the situations of agricultural foreign direct investment and the perceptions of local community. Particularly, it focuses on exploring the existing situations, positive contributions, negative consequences, and perceptions of local people.

As result of empirical analysis, this research found that all seven farmers interviewed have experienced both on positive contributions and negative consequences with certain expectations concerning these contributions and consequences. Participants indicated that these positive contributions of agricultural foreign direct investment and negative consequences exist and some quit existing. This finding is comparable to other study on foreign direct investment around the world (Andrea, 2011; Kazembe and Naizinga, 2007).

The existing situations include cutting of forest, change of climate condition, destruction of wild life constitute the negative parts. There are other risks associated with large-scale land acquisition, especially in countries where local land rights are not clearly defined and governance is weak. These risks include the displacement of local smallholders, the loss of grazing land for pastoralists, and the loss of income for local communities, and in general, negative impacts on livelihoods due to reduced access to resources, which may lead to social fragmentation. This finding of this study supported the finding of (FAO, 2013). Whereas, employment opportunity creation and transmission of modern agricultural technologies constitute the positive parts of the existing situation, this finding is supported by other existing findings (Andrea, 2011).

Among these existing situations of agricultural foreign direct investment, the study found that job opportunity creation, adoption of agricultural modern technologies and building of public services, particularly the road built by Turine Company between Abobo Woreda and Gog woreda as major positive contributions of agricultural foreign investment. However, among these positive contributions, the building of public service is one times contribution and investors for their own objectives built it, although it helps two woredas to access each other easily.

Local people employed by investor learn the new technologies both directly and indirectly and later on, they defuse them to their community dwellers. This diffusion of technologies to people is considered as the positive contribution although people themselves transmit it. If the investment does not arrive in the area, they would not access these modern agricultural technologies and this currently existing. Dijk and Stichele (2008) have presented this finding of this study in their respective study.

Moreover, the participants of the in-depth interview shown that investment create employment opportunity. The job available for local people includes guarding, daily laboring, and driving tractors. Similarly, (Dijk and Stichele, 2008) backed the finding of this study, it says that an international financial institution, such as World Bank and IMF as well as OECD and its members states, have increasing promoted FDI because it creates new jobs, spread best practice social and environmental standards, and stimulated the transfer of technologies, finally leading to economic growth.

The study also found some negative consequences of agricultural foreign direct investment. Participants of the study reported that the documented human right violation inform

of displacement, cutting of trees, large land acquisition that can lead to shortage of farm land, and grazing land, flooding, and destruction of wildlife as well as poisoning of the community for the chemical waste products but flooding is not happening now. This finding of this study is supported the finding of other study, especially (Dijk and Stichele, 2008) found that NGOs, labor union and civil society groups have emphasized the negative consequences of agricultural foreign direct investment. These negative consequences include harmful environment practices, human right violations. Similarly, (Abebe, 2011) argued that large-scale land acquisition by Saudi investors in Gambella regional state caused people to lose access to resource on which they depend for their food security and livelihood.

Consequentially, participants of this study reported some of their expectations including believing that if foreign agricultural investors continue clearing forest like this, the forest of the zone will completely be cleared. As a result, the zone will face two problems; first, the amount rainfall will decrease and this decrease of rainfall will lead to food insecurity, farmers will not produce enough for their household consumption. Second, the animal grazing land will be limited. The livestock will not have enough to eat and as a result, livestock keepers will fight each other competing for limited grazing land.

Other perception forwarded by participants is scarcity of land, which is caused by large land acquisition. All of the seven participants of the study believed continuous provision of large land size to investors will lead to shortage of land in the future because long term lease mean that local community has no access for their land in the generation. The existing finding (Abebe, 2011) has supported this finding of the study.

Finally, the participants of this study predict that there will be a conflict in the future between the investment and local community because the agricultural foreign direct investment is not benefitting the people rather it prioritized the benefits of the investors over the local community. This contradicts with some parts of (Abebe, 2011) findings because all of the participants of this study believe that the benefits of the agricultural foreign direct investment is less than the exploitation of the local resources.

Chapter Six: Conclusions and Social Work Implications

Conclusions

From this qualitative study, it is concluded as reported by participants of the study and triangulations among varieties sources. They reported existing situations, positive contributions, negative consequences of agricultural foreign direct investment, and their perceptions concerning the foreign agricultural investment. During the analysis, the study confirms through triangulation that job opportunity creation, and adoptions of agricultural modern technologies are the major positive contributions, which exist currently. Moreover, the existing situations, which include cutting of forest, change of climatic condition, and destruction of wild life, constitute the negative parts. However, there are other risks associated with large-scale land acquisition, especially in place like Gambella where local land rights are not clearly defined and governance is weak. These risks include the displacement of local smallholders, the decrease of grazing land for pastoralists, and the loss of income for local communities, and in general, negative impacts on livelihoods due to reduced access to resources, which may lead to social fragmentation. On other hand, employment opportunity creation, adoption of agricultural technologies and building of infrastructure are the basic positive part of investment. Among these, only building of infrastructures does not currently exist. It stopped for the road built by Turkey investors in the zone. Moreover, cutting of forest, destruction of wild life, change in climatic condition, flooding which resulted from diversion of water by investors, and low wage for local people working in investment. Large land acquisition that resulted into displacement, decrease of grazing land for agro-pastoralists and loss of incomes for local community is the negative part existing situations except flooding which occur once in the area. Finally, the study

concluded that people expect complete clearance of forest, loss of the land due large-scale land acquisitions and after all, there will be a conflict between local people and foreign investors.

Social Work Implications

In Ethiopia, little empirical knowledge exists about situations of Agricultural foreign direct investment and the perceptions local people. As a result, lack of knowledge about agricultural foreign direct investment and perceptions of local community could lead to human right violations and absence of social justice and Conflict have to breaks out between local people and investors in Ethiopia. Most social workers and other community service providers are not aware of this issue. They have been focusing on the urban issues. Therefore, regional government in collaboration with federal government should encourage researchers to conduct studies in agricultural investment and seek the best practices that can consider the benefits of investors and local community. Agricultural foreign direct investment is a social issue. Similarly, its effect is extended from individuals, families, groups, and community level. Thus having a research on this area could benefit students and social workers during practice on these levels of intervention. Particularly, regional and zonal governments of Gambella regional state should persuade researchers to find the reasons behind the dearth of cattle as claimed by participants to be agrochemical used by investors.

As claimed by the participants that investment has reduced the only source of energy for community which is dry wood, the regional government in collaboration with federal government should expand the other source of energy just to reduce the tension and the suffering

of people. Moreover, the foreign agricultural investors can also collaborate with both levels of the government to help people attain other sources of energy.

Participants question on the sustainability of the foreign direct investment has to be an issue that need to be investigated and as a result, the responsible level of government which is federal government of Ethiopia should reduce the lease period from unsustainable one to the sustainable base on the inquiry outcome. The current 50 years should be reduced into some figure as people claimed.

The regional government in collaboration with federal government should include in the policy of investment that any land given to investors should not be a forest area in order to help in preservation of wild life and reduction of climate change as cutting of trees result in shortage of rainfall and further into natural disaster like famine etc.

The implications of the situations of agricultural foreign direct investment and perceptions of local community are important for social workers providing care in all micro, mezzo and macro levels-such as some of the participants we work with face problems individually and in-group. Some individuals in the community face problems of displacement alone and all of them face the problem of climate change, grazing land and improper waste disposal by investors. Many people felt the impact of right violation in their own environment. Social workers must have deep insight into the negative consequences of agricultural foreign direct investment to effectively work toward ending violence against human right and social injustice in agricultural investment. Investment should be planned at all levels: individual

(micro,) family (mezzo), and society (macro); in doing so, social workers should be aware of the following facts about the problems identified by this study and other literatures on the area.

The knowledge about high prevalence of human right violations and social injustice in both physical and social environment among farmers affected agricultural investment has critical implications for policy and practice in programs and interventions. These interventions should incorporate strategies to address the problem on several levels of social hierarchy such as helping government change certain harmful practices of investments which is risk factors following the benefits of investors rather than people. The experience of investment can create mutual benefit between local people and investment that does not violate the rights of local community and respect the benefit of investors.

Regarding positive contributions of the agricultural investment to the community, the regional and zonal government should encourage creation of more jobs by investment but awareness about low wage rate with more hours could help government to balance the benefit of both investors and farmers. Adoption of technology from investors should be encourages by zonal government in order to improve the land productivity of the people. Zonal government also should encourage the building of infrastructures to allow easy access among communities and compensate the noisy disturbance created by the automobiles. Finally, social workers need to know the benefits that local community obtains from agricultural investment in order to broker any conflict happen between farmers and investors as well as identification of their potential in order teach them in school of social work. Moreover, knowledge of positive contributions has importance on suggesting the possible agricultural investment that respects the benefits of both investors and farmers affected by investment.

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Annexes

Annex I, Subject information, consent, in-depth interview guide participants Subject information sheet for study participants

My name is Changkuoth Khan, I am a student at Addis Ababa University, I am here to interview people affected by Agricultural foreign direct investment. The study is conducted for the requirement of masters' degree in social work. The general purpose of the study is to explore the situations of agricultural investment and perceptions of local community to agricultural foreign direct investment in Anuak Zone. Your contribution is very much appreciated for the success of this study. The study will generate information from those affected by agricultural foreign direct investment by using an in-depth interview-guiding question. The interview for case study will use unstructured interview guide using both open-ended type of questions with you and will take 30-60 minutes depending on your consent. The data collection process impartially considers your right of asking questions and you are right to withdraw from interview at any time for you own reason. You are right not to respond any question that seem uncomfortable to you. The confidentiality, risk and benefits of the research will be handling in the following way. The information you provide is fully confidential will never cause any harm on you or your partner. All shared information is free from any personal identifier and it will be used only for research purpose. To insure confidentiality, personal identifier (name) of the participant will not be mentioned when writing the report. Based on your willingness, tape recording and note taking will be carried out while conducting the interview. The tape recording is important to facilitate transcription and keep the quality of data. The tape-recorded information only heard by the

researcher. You are not also directly beneficial from this study in any ways although; I will give you a 50 birr for appreciation that you provide me with information while consuming your time.

Informed consent form for people participating in this study

I have understood and agreed to participate on the study that focuses on situations of agricultural foreign direct investment and the perceptions of local community.

Date..... If yes signature.....

Signature of the interviewer.....

Annex II: In-depth Interview guide for study participants

(People affected by agricultural foreign direct investment)

Part I

Name _____

Age: _____

Sex: _____

Educational status: _____

Marital status: _____

Family size _____

Mean of income _____

Religious affiliation: _____

Occupation: _____

Ethnic group:- _____

Who are responsible in provision of land to investors: _____

Part II consequences of agricultural foreign direct investment

2.1. Can you tell me your experience of agricultural foreign direct invest?

2.2. Concerning about your physical environment, what is your experience about negative consequences of agricultural foreign investment? (Good, Bad, Both).

Probe: clearance of Zonal forest

Probe: Reduce Zonal fresh water bodies

Probe: Release toxic substances into environment

Probe: Changing atmospheric condition

Probe: Defeat wild animals

2.2.1. What do you think is the cause?

2.2.2. What do you think could be the solution?

2.3. Considering your social environment, what are the negative consequences that agricultural foreign direct investment imposed on your people?

Probe: Land scarcity

Probe: Displacement of people

Probe: Poisoning of drinking water

Probe: Create employment opportunities

Probe: Provide automobile for transportation and plough

Probe: Provide agricultural modern technologies

Probe: Occupies animals grazing land

Probe: Create noisy.

2.3.1. What do you think about the cause?

2.3.2. What do you think could be the possible solution?

2.4. In relation to the household economic level, what are the negative consequences of agricultural foreign direct investment?

Probe: increase income

Probe: bring structural change in production

Probe: is not sustainable

Probe: increase access to market

Probe: increase to production materials

2.4.1. How do you know that each negative economic consequence exists?

2.4.2. What do you think could be the cause to each negative consequence?

2.5 What are the positive contributions of agricultural foreign direct investment?

2.6 What is the existing situation between local community and agricultural foreign investment?

Part III perceptions of people toward agricultural foreign direct investment

3.1. What is your acceptance level of agricultural foreign invest? (High, medium, low), if you choose one of those answers, can you tell me, why you choose it?

3.2. How do you perceive agriculture foreign direct investment in your zone? (Good, bad, both), if you choose one of the three can you explain why it could be?

3.3. What are your expectations regarding agricultural foreign direct investment?

3.4. Do you perceived that you could adopt from agricultural foreign direct investment practices operating in the zone? If your respond is yes, what do you adopt so far?

Part IV general questions

4.1. What are the services you expect from agricultural foreign investment?

4.1.1. Are you satisfied with the services provided?

4.1.2. If you are not satisfied with the service provided by foreign agricultural investment, why don't you report the issues to zonal investment office?

Probe: individual related (Fear, lack of support system).

Probe: institutional (Nobody listens).

Probe: social factor (People are not sharing the same problem).

4.1.4. In your opinion, what are the situations you needs to be improve in order to attend the maximum services level?

4.2. Can you estimate the amount of land provided to each investor in agricultural sector?

4.2.1. Are you satisfied with the land size given to foreign investors?

4.2.2. In above item if you are not satisfied, what are the reasons behind your disagreement?

Annex III: Key informants in-depth interview guide

(Three investment employees)

Part I

Age _____

Profession _____

Works experience in year _____

Ethnic origin _____

Have you ever involve in issue occurred between people and foreign investors in agricultural sector? When? _____

1. How many issues you involved in yet?
2. How does government solve an issue happened between people, and foreign investors?
3. What happen after government solves an issue involving people and foreign investors?
4. Does your government provide previously occupied land by people to the investors?
5. Does your government provide a forest area to foreign investor for cultivation?
6. Does government concern people when providing the land to agricultural foreign investors?
7. Does government know the working hours in relation to payment given to people working with investors?

8. What are the positive contributions of agricultural foreign direct investment in the zone?
9. What are the negative consequences of agricultural foreign direct investment in the zone?
10. Until now, what do you know about people's perceptions to agricultural foreign direct investment?
11. What is the relationship between agricultural foreign direct investment and Gambella national park?

Annex IV Observation guide for data collector

Date: _____

Time: _____

Location of observation: _____

Names/positions of persons being observed: _____

Specific activities

1. Physical environment (Forest, water bodies)
2. People
3. Noisy
4. Infrastructure (Road)
5. Investors' gardens
6. Animals park

Events related to research questions

1. Adoption of agricultural technologies
2. Clearance of natural forest
3. Grazing land occupation by agricultural investment
4. Large land acquisition by agricultural investors
5. Poisoning of communal drinking water
6. Park area provided for investment.