

JIMMA UNIVERSITY



COLLEGE OF SOCIAL SCIENCES AND HUMANITIES

DEPARTMENT OF SOCIOLOGY

The Impact of Large-Scale Coffee Plantation on the Livelihoods of Local Households in Limmu
Kossa District

Thesis Submitted to the Department of Sociology in Partial Fulfillment of the Requirements for
the Degree of Master of Arts in Sociology (Social Policy Stream)

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Abbreviations

ADLI - Agricultural Development Led Industrialization

FAO – Food and Agricultural Organization

FDI – Foreign Direct Investment

FDRE – Federal Democratic Republic of Ethiopia

FGD – Focus-Group Discussion

GDP – Growth Development Plan

GTP - Growth Transformation Plan

GPNRS -Gambela People National Regional States

LSLT -Large-scale Land Transfer

MoARD– Ministry of Agriculture and Rural Development

NGO – Non Governmental Organization

SRI - Socially Responsible Investment

SNNPRS – Southern Nation, Nationalities and Peoples’ Regional State

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This is to certify that the thesis prepared by Mohammed Abera, entitled: The Impact of Large-Scale Coffee Plantation on the Livelihoods of Local Households in Limmu Kossa District, Oromia and submitted in partial fulfillment of the requirements for the degree of Master of Arts in sociology complies with the regulation of the University and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiners and Advisor

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Abstract

The main purpose of this study was to assess The Impact of Large-Scale Coffee Plantation on the Livelihoods of Local Households in Limmu Kossa District, Oromia. The necessary data for the study were generated both from primary and secondary sources. Hence, in-depth interviews, key-informant interviews, focus group discussions (FGDs,) and survey method as well as document review were means of generating data from primary and secondary sources respectively. Totally, one hundred sixteen (116) respondents were selected for the purpose of data collection from the study population by using simple random and purposive sampling techniques. The local communities' role and participation was non-existent in the process of land deals and local customary use patterns and rights never been recognized by the government while identifying suitable land for investors. The land allocated to investors have been considered as vacant in the eyes of government officials, the arrival of investors resulted in a change on holding and use patterns of cultivated land and other land based resources such as forest areas, grazing, water sources and pools, roads and transit routes by the local communities. It has resulted in economic, social, cultural and spiritual impoverishments among the local small holders. The impacts for the resettle communities emanate from their eviction from their cultivable lands and water sources, while the local communities suffered from the destructions on forest areas and grazing lands critical to their livelihood. The problematic nature of land deal and implementations of large-scale coffee plantation again influenced the nature of relationships among local communities, local government and investors. So, that it is better if the governmental officials are working on how to create a good relationship among the investors, smallholder farmers and government.

Chapter One

1. Introduction

1.1 Background of the Study

The Ethiopian Investment Proclamation defines the term “investment” as expenditure of capital in cash or in kind or in both by an investor to establish a new enterprise or to expand or upgrade one that already exists (Abba & Demarso 2020). Agricultural investment is defined as enhancing production and productivity intended for supply to the market by undertaking modern agricultural activities with the support of improved and new technologies with improved utilization and increased number of workforce (Pretty, Toulmin, & Williams 2011). Article 2 (1) of the Ethiopian Agricultural Investment Land Administration Agency Establishment Regulation defines the term agricultural investment as a capital outlay by an investor to establish a new large scale agricultural investment or to expand or upgrade an existing agricultural (Gebreselassie 2006).

The first decade of the 21st century marks the beginning of a new era of competition for land and natural resources. Since 2008, the issue of large scale agricultural investments has attracted tremendous global attention. The lease and purchase of land through transnational agreements assumed unprecedented scale. The increased level of large scale agricultural investments is one of the dramatic effects of the interconnected and mutually reinforcing finance, food, energy crisis (Harvey & Pilgrim 2011). Agricultural investments involving large-scale land acquisitions are documented in different parts of the developing countries including Africa, Asia, Latin America and Eastern Europe since the early years of the 2000s, although the land question has always been central to the livelihoods of millions of smallholders. Most of low-income African countries have been selling or leasing lands to foreign investors, who consider Africa as the most suitable place to secure arable land (Cotula 2009).

Agricultural sector has been the priority of Ethiopia since the early 1990s, when the Agricultural Development Led Industrialization (ADLI) and related policy frameworks were adopted (FAO 2014). More than 70% of Ethiopia’s population is still employed in the agricultural sector. The share of agriculture in the GDP has declined over five years from 44.7% in 2010/11 to 37.2% in 2015/16. Despite its declining contribution to GDP over five years, agriculture remains the

leading sector in terms of contribution to the country's overall economy. It is the major source of food for domestic consumption, of raw materials for the domestic manufacturing industries and of primary commodities for export (Edward et al 2017).

Smallholders cultivate over 96% of the total agricultural land. The average smallholder cultivates less than one hectare of arable land, and consumes more than 65% of total production within the household. In many parts of the country, market participation of smallholder family farms (measured either in terms of per capita market share, the volume of farm output supplied to markets or their profit motive) is limited (Hailua, Manjireb, and Aymutc 2015). Agricultural markets are fragmented and not well integrated into a wider market system, which increases transaction costs and reduces farmers' incentives to produce for the market. Government policy - or the lack of it - has contributed to this general characteristic of the smallholder agricultural sector in Ethiopia (Barrett and Mutambatsere 2008). Agricultural commercialization was not high on the policy agenda until recently, as Government rather prioritized ensuring food security and poverty reduction at household level (Wiggins 2009).

According to (Diro, Erko, and Yami 2019) for a sustainable development of coffee economy, producers should receive a level of prices that covers the cost of production, living costs, and environmental costs in a competitive context. Access to credit and diversification, and access to commercial information and marketing chains should also be improved for the producers at different level. Changes in production costs over time can severely affect a producer's ability to make a sustainable living from their coffee crop.

Coffee production and distribution in Ethiopia is that Ethiopia is the birthplace of coffee and it discovered earlier. In the tenth century, Ethiopian nomadic mountain peoples were may have been the first to recognize the coffee it have stimulating effect, although they ate the red cherries directly and did not drink it as a beverage initially. The story of coffee was beginnings in Ethiopia, and the country is original home of the coffee plant, coffee Arabica, which still grows wild in the forest of the highlands of Ethiopia. While nobody is sure, exactly how coffee originally discovered as a beverage plant, it believed that its cultivation and use began as early as the 9th century in Ethiopia. Some authors claim that it was cultivated in the Yemen earlier, around AD 575. While, it originated in Ethiopia, from where it traveled to the Yemen about 600 years ago, and from Arabia began its journey around the world (Selamta, 2014 and IAAE, 2012)

Among the many legends that have developed concerning the origin of coffee, one of the most popular accounts is that of Kaldi, an Abyssinian goatherd, who lived around AD 850. One day he observed his goats behaving in abnormally exuberant manner, skipping, rearing on their hind legs and bleating loudly. He noticed they were eating the bright red berries that grew on the green bushes nearby. Kaldi tried a few for himself, and soon felt a novel sense of elation. He filled his pockets with the berries and ran home to announce his discovery to his wife.

Ethiopia has huge potential to increase coffee production as it is endowed with suitable elevation, temperature, and soil fertility, indigenous quality plantation materials, and sufficient rainfall in coffee growing belts of the country. Coffee is a shade-loving tree. It grows well under the large indigenous trees such as the *Cordia Abyssinica* and *the Acacia species*, in two regions of the country *Oromiya and southern nation nationality and people regional state*. In our country smallholder farmers on less than two hectares of land produce and supply Ninety-five percent of Ethiopia's coffee production, while the remaining five percent is grown on modern commercial farms (Taye, 2013 and USAID,2010).

Currently, Ethiopia is a leading arabica coffee producer in Africa, ranking the fifth largest Arabica coffee producer and tenth in coffee export worldwide. Its total coffee production and export respectively increased by 107% and 226% for the crop year 2009/10 and 2010/11 (ICO, 2011). In Ethiopia, coffee has been and still contributes to the Lion's share in its national economy being the leading source of foreign exchange earnings.

Diro et al (2019) found that the share of coffee income from total income in coffee producing districts of Jimma zone is 77%. On other hands, share of land allocated to coffee crop in these areas is more than 69%. This shows that coffee is not only the source of cash and income; but also the means of livelihood for the smallholder farmers of the area.

Like other parts of Ethiopia, Limmu Kossa woredahas been transferring its productive agricultural lands for long-term leases to foreign and domestic investors for large-scale coffee agriculture investment.

1.2 Statement of the Problem

There are a growing number of large-scale agricultural investments by the private sector, often involving the acquisition of large tracts of land. While such investments are frequently carried out for the aim of improving food security and reducing poverty, increasingly, they are implicated in contributing to a global rush on farmland that is in fact exacerbating food insecurity and poverty among small-scale food producers, who comprise the majority of the world's hungry (De Schutter 2011). The previous studies stated that the investment contributed in improving food security for different countries of the world, however some investments are encouraging food insecurity in which people are suffering from meeting their needs and families in-terms of the household food security. In addition to promoting food insecurity investment also encourages people to support themselves and their families through engaging in different activities as their income generations.

Studies show that most affected countries of land transfer are countries which are significantly poor, whose economies depend mostly on agriculture and countries that are less involved in world food exchanges (Richards 2013). Thus local people could lose access to the resources on which they depend, including not only land but also water resources, wood and grazing areas. LSLT could marginalize smallholder farmers, who are known to be very efficient and resilient producers (Cotula 2009). The study focused on the negative impact of the large scale agricultural investment by paying less attention to the positive impacts of the investment on the local communities.

Coffee is outstanding for being produced in nearly all non-arid countries in the tropics. In many of these countries who produce coffee, foreign exchange earnings from coffee exports are of vigorous significance to the balance of payments and to the economy of the countries as well. Coffee is an important cause of development, generating cash returns in subsistence economies. Moreover, the production and harvesting coffee are labour-intensive; it provides an important source of rural employment, for both men and women. In terms of international trade, coffee is the most valuable tropical agricultural product. It's the "second most traded commodity after petroleum" and "determines the livelihoods of 25 million poor families" (Krupka 2012). Even though the previous studies were explained that coffee is very important for income generations, now day's rural households are facing difficulties to produce coffee because of climatic changes

which is resulted following the introduction and expansion of investments. The lands for coffee productions are also owned by the investors and that is another problem which the small holders' farmers are facing.

Coffee growers in Ethiopia have been exposed to price fluctuations and impacts of unpredictable and uncontrollable shocks. Despite some improvement of producer prices in the past two years, domestic and world coffee prices have declined and remained very low for much of the late 1990s and early 2000s. The effect of this price decline was manifested in increasing poverty among coffee growers, who previously were able to reap good benefits from their coffee sales. At household level the impact of depressed prices has been considerable, leading to distress sales of assets such as cattle, or to uprooting coffee plants and replacing them with annual food crops (Oxfam 2002) or cash crops such as Khat. Other strategies included giving up traditional shade coffee production to create space for intercropping and income diversification (Gebreselassie, &Ludi 2007). Even though coffee producers are facing challenges for different reasons, investment also provides different opportunities like introduction of new technologies for coffee production and harvesting for the farmers, and some investors are providing improved coffee seeds for the farmers to improve their coffee production.

Even though coffee is the premium cash crop and coffee Agricultural investment is to sustain the livelihood of millions of small holder coffee producers; due to their small share in coffee value chains, climatic change and price fluctuations the coffee producers are facing challenges. Coffee producers face major challenges to meet livelihood needs due to their small value shares in the coffee supply chain and volatile market prices, now compounded by climate change (Bacon 2005; Schroth et al. 2009; Läderach et al. 2011b). The coffee plant is highly sensitive to climate with respect to productivity and quality (DaMatta 2004; Vaast et al. 2006; Läderach et al. 2011a). Unpredictable rainfall, extended drought periods and extreme weather events are becoming more common in a number of coffee producing areas throughout the world (Schroth et al. 2009; Ericksen et al. 2011). Future climate change will also result in shifts in the incidence of pests and diseases that could be detrimental to coffee yields (Jaramillo et al. 2009 and 2011). This study focuses on how the investment can lead to different social and environmental problems which can bring climatic changes. When climatic changes can be occurred, the coffee production also decreases.

At this end, to address the impacts of large agricultural coffee investment on the livelihood of the local community; the study focused on major negative and positive impacts of the investment. This is to address the importance of the investment in sustaining the livelihood of small farmers (coffee producers, different entities those who are participating in the process of coffee investment and so on. Beside its positive contributions for the livelihood of the local community, the coffee agricultural investment has also negative impacts on the life of the local community. So, this study addresses the positive and negative impacts of large scale coffee investment in the study area.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study is to describe the impact of large-scale coffee agriculture investment on the livelihoods of local household.

1.3.2 Specific Objectives

In addition, based on the general objective, this study tried to address the following specific objectives:

- To explore the nature of relationship among household, government, and investors in the process of large-scale coffee agriculture investment
- To examine the economic contributions of coffee agriculture investment on the household's life
- To find out the social impacts of large-scale coffee agriculture investment on the local household

1.4. Significance of the Study

The findings of the study provides additional information about the impact of coffee investment on the local community, the constructive and undesirable outcomes and the lives and livelihood impacts of the local community in the study area. The study is also helpful for further studies in the area of large-scale coffee agricultural investment and its impact on the local communities.

1.5 Scope of the Study

The scope of the study in terms of its objective focuses on the role of large agricultural investment and its impacts on the local communities. Geographically, the study was delimited to Oromia National Regional State, Jimma Zonal Administration; Limmu Kossa District. Methodologically the study employed both quantitative and qualitative research approach

Chapter Two

2. Literature Review

2.1 Introduction

This chapter focuses on the review of related literatures on the issue under consideration. It focuses on the contributions of coffee investment for the local communities, the relationship between investors and local community and the positive and negative impacts of large scale agriculture investment on local communities.

2.2 An Overview of Agricultural Investment in Ethiopia

The Government of Ethiopia has been trying to attract investment in land (agriculture), by easing regulatory framework and providing various incentives. Accordingly, between October 1995 and July 2011, the Ethiopian Investment Agency has issued investment licenses for 1,055 Foreign Direct Investment (FDI) projects in land with a total of about 4,219,780 ha of land to be cultivated (Getnet & Anullo 2012). These projects were also expected to create 320,474 permanent jobs and 844,052 temporary jobs. However, only 126 of the registered or licensed projects became operational over the period, accounting for only 11.9% of the total approved projects.

The 126 projects being carried out created 19,543 permanent and 209,829 temporary employment opportunities, which represent 6.4% and 25%¹⁵ of the projected permanent and temporary jobs respectively. There are a number of reasons for the licensed investors, failures to implement the planned projects, some of which are poor infrastructure facilities such as irrigation schemes, roads, communication, and inhospitable climate in some lowland areas (Getnet 2012). Generally, delays in investment projects in developing countries may arise due to lenient legal practices and low land prices (Deininger & Byerlee 2011).

There were and still are a number of foreign investors in agricultural land, mainly from Asia, the Middle East, Europe and the USA, who have acquired land in various parts of the country. Based on the size of farmland acquired, Indian firms are the largest, with over 35 companies acquiring extensive tracts of land particularly in the remote and highly productive pastoral and agro-pastoral areas of Benishangul - Gumuz, GPNRS and Oromia National Regional States.

Many of these companies hold lands measuring 25,000 ha to 50,000 ha while a few have received land measuring over 100,000 hectares. There are reports that out of total land earmarked for investment under the Growth Transformation Plan (GTP) which run from 2010 to 2015 year, about half (1.8 million ha) were transferred to Indian MNC"s and TNC"s who showed sufficient interest (Getnet& Anullo2012).

The Ethiopian Government has so far leased out large tracts of arable land and natural resource to local and foreign investors (Woldemariam & Gebresenbet 2014). Expanding the scope of investment in commercial farming is part of the Government's overall plan to promote agricultural products destined for export and to supply local industries with raw materials (Ferrer&Desalegn 2013).

To attract more foreign investors, the federal government had guaranteed any potential investor coming to invest in agriculture a favorable investment climate that include, but not limited to, offering financial incentives. The study indicated that the government firmly believed that large scale land investment, particularly foreign investment, would bring in the much needed technology and capital.

Other expectations include foreign exchange earnings, employment creation and achievement of national food security (Lavers 2011).

2.3. Conceptual Framework

The independent factors of the study included influence of: social factors, coffee production technology adoption, management of coffee Cooperative Societies and value addition while the dependent variables included coffee productivity per tree and the number of tree per farm.

Other factors affecting coffee production were government policies, weather, politics culture, inadequate relationship between farmer & investors.

The Conceptual Framework of the study is shown below

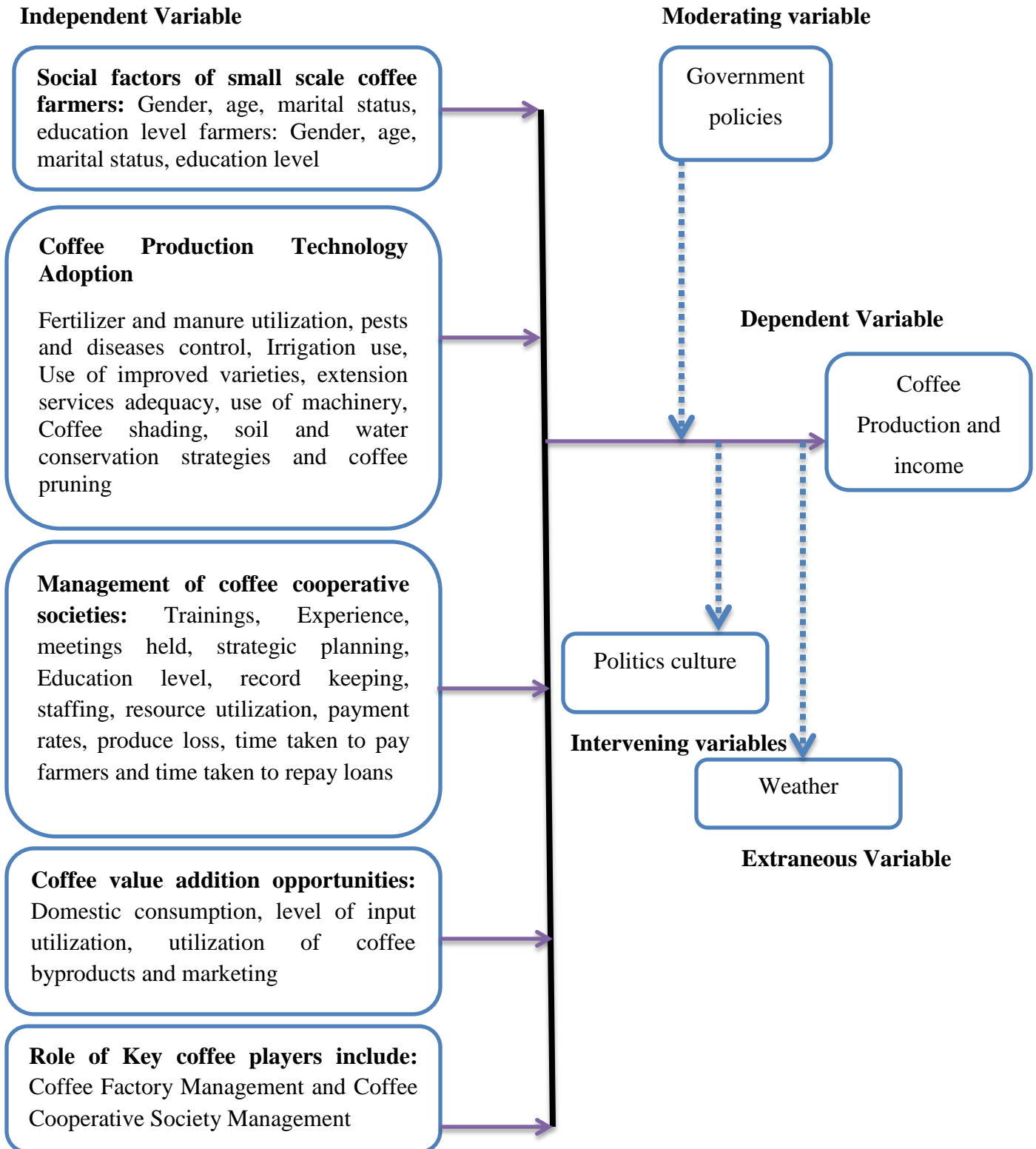


Figure 1: Conceptual Framework of the study.

2.4 Theoretical Framework

The study is based on Fredrick Taylor theory of management which led the development of a theory of management that analyzed work flows. Its main objective was improving economic efficiency especially labor productivity. He attempted to apply science to the engineering of processes and management. Taylor believed in standardization of best practices and wretched traditions preserved merely for its own sake or to protect the social status of particular workers with particular skills sets.

He advocated for transformation of craft production into mass production and knowledge transfer between workers and from workers into tools, processes and documentation,

Taylor noticed that natural differences in productivity between workers were driven by various causes including differences in talent, intelligence or motivation. He applied science in understanding why and how these differences existed and how best practices could be analyzed, synthesized and then propagated to other workers through standardization of process steps. He believed that decisions based upon rule of thumb and tradition should be replaced by practical procedures developed after careful study of an individual at work, including via time and motion slides which would synthesis the one best way to do any given task. The goal and promise was both an increase in productivity and reduction of effort.

Taylor observed that some workers were more talented than others and that even smart ones were often unmotivated. He observed those workers who were forced to perform repetitive tasks tended to work at the slowest rate that goes unpunished. Taylor observed that, when paid the same amount, workers tend to do the amount of work that the slowest among them does. This reflected the idea that workers had vested interest on their own well-being and don't benefit from working above the defined rate of work when it will not increase their remuneration. He proposed that time and motion studies combined with rational analysis and synthesis could uncover one best method of performing any particular task and that prevailing methods were seldom equal to these best methods.

Taylor acknowledged that if each employee's, compensation was linked to their output, and their productivity could go up. His compensation plans included piece rates. He rejected the idea that the trades including manufacturing were black art that couldn't be analyzed. In his empirical

studies he examined various kind of manual labour and discovered many concepts. He decided that labour should include rest breaks so that workers could get time to recover from mental and physical fatigue. As a result productivity increased (Kidombo, Ndiritu and Gakuu, 2013).

2.5 Related Literature Review on Coffee Production

Both Parrot et al (2007) and IFAD, (2003) agree that organic cultivation will benefit farmers from market access and reduced health problems. Chege, (2012) cites poor governance and inefficiencies of cooperatives to cause delay in supplying inputs and processing credits. He also cites high cost of inputs, lack of information dissemination, poor leadership, strict regulations, delayed payment and lack of farmers' ownership of societies, over regulation of the industry, coffee value chain organization structure to contribute to low production.

Kegonde, (2005), attributed low production to high cost of coffee production he says is contributed by inadequate credit facilities, high cost of credit and other inputs like fertilizers and irrigation, and strict laws by Coffee Board of restricting production to gazette area and laws prohibiting uprooting crop which discourage farmers going in coffee fanning. UNCTAD, (1999) cites massive overproduction, collapsing of international prices, deteriorating quality, diseases and climate change as the main causes of low coffee production.

The researcher addressed the knowledge gap of influence of social factors, influence of extent of technology adoption, influence of management of coffee cooperative societies, influence of coffee value addition and influence of roles of key players in small scale coffee production to bridge the knowledge gap and also check whether the findings of study done elsewhere holds with the small scale coffee production in Limmu Kossa District.

2.6 The Role of Investment in Enhancing the Livelihood of Smallholder Farmers

The argument of governments in transferring or allocating land ownership to agribusiness investors is to create new opportunities for the local smallholder farmers that will lead to improvement of the living standards in African countries, but also entail risks of losing land and being marginalized to the local communities (Vermeulen& Cotula 2010). Proponents further argue that the rural poor community would benefit from land transfer through, among other things, creating on farm and off- farm jobs, development of rural infrastructure and construction of schools and health centers provided that negotiations are carried out transparently, existing

land rights are respected, and benefits are shared between local communities and agribusiness investors (Dharmawardhana, De Zoysa, & De Silva 2015).

According to the Land Matrix database, the majority of the projects brought infrastructure development particularly in the form of health or educational facilities, better access to markets and project infrastructure that can be used by the local population. In addition, financial support and capacity building are some of the facilities extended to the local communities although they are not significant (Arezki, Deininger, & Selod 2015).

After decades of struggling to attract a significant level of corporate investment, including FDI, to their agricultural sectors, developing countries are now faced with a challenge: in what ways should they accept the type, size and number of such investments in order to maximize development benefits and minimize socio-economic and environmental risks. In their initial naïveté as investment in agriculture began to surge from the mid-2000s many governments encouraged investment without carefully considering the consequences for the economy, rural areas, farmers or communities. As research has multiplied, and more importantly experience has been enriched, in Africa, South-East Asia and elsewhere, it is increasingly being recognized that overall net positive outcomes depend very much on the business models in place, the types of investor-community linkages, partnerships and relations established (Toulmin et al 2011).

2.6.1 Secure Access to Land and Rural Livelihood in Developing Countries

Small-scale farmers need to be protected from more powerful actors by law. This is necessary because huge power imbalances exist between the investing companies in alliance with local elites on the one hand, and local farmers on the other. “Good governance” is in this essential to acknowledge the rights of small-scale farmers, though frequently lacking. Equitable and transparent land administration is of great concern in this respect (Palmer 2010).

A characteristic feature of agriculture in developing countries is cultivation by smallholders. The majority of the rural population relies on farming for survival. And this illustrates the significance of the small scale sector for food security in the developing world. Implementing appropriate agricultural policies with the aim of improving or protecting the local population could mean to prevent the large scale land acquisition phenomenon (Blok and Kruse 2010). Large scale farming would limit the access to land for indigenous people and turn small-scale farmers into wage laborers. Yet it is also possible that these investments could have a positive

effect and increase the level of wealth of indigenous people and creates new opportunities for rural households to earn an income. It is important that efforts to make land available to investors do not undermine livelihood opportunities. It is the case whether this large-scale acquisition of farmland is either „land grab“ or a development opportunity, but of course this will differ per case.

2.6.2 The Role of Investment in Poverty Reduction

Agricultural investment is the most important and most effective strategy for poverty reduction in rural areas, where the majority of the world’s poorest people live. Investing in agriculture reduces poverty and hunger through multiple pathways such as Farmers invest to enhance their productivity and incomes. From society’s point of view, this in turn generates demand for other rural goods and services and creates employment and incomes for the people who provide them, who tend to be the landless rural poor. These benefits ripple from the village to the broader economy (Larson et al 2012).

Agricultural investment is also essential to eradicating hunger through all of the dimensions of food and nutrition security. Agricultural investment by farmers or the public sector that increases productivity at the farm level can also increase the availability of food on the market and help keep consumer prices low, making food more accessible to rural and urban consumers (Alston, Marra, Pardey & Wyatt 2000). Lower priced staple foods enable consumers to supplement their diets with a more diverse array of foods, such as vegetables, fruit, eggs, and milk, which improves the utilization of nutrients in the diet (Bouis, Graham, & Welch 2000). Finally, agricultural investments can also reduce the vulnerability of food supplies to shocks, promoting stability in consumption.

2.6.3 Economic Implications of Investment

Investment is a component of aggregate demand; investment also has a role in production capacity in the economy. The amount of production capacity in the economy can be reflected by the many businesses in the economy, both large-scale enterprises, medium-scale, micro, and small-scale enterprises. Pettinger (2017) stated that the investments affect economic growth, because investment is a component of aggregate demand, and more importantly that the investment would affect production capacity in the economy.

One way to implement the overall economic development and sustainability is by increasing investment. Investments in essence are also the first step in economic development. Investment is an important factor for economic growth and development (Saadah, Bernadette, & Mukhlis 2018). Rizvi and Nishat (2009), state that the very important and sensitive thing in developing countries is Foreign Direct Investment (FDI). Currently, the FDI is not only the transfer of money but a combination of financial and intangible assets such as technology, managerial ability, marketing skills and other assets. Alston & Pardey 2014 stated that on one side of FDI in a will add new resources with regard to capital, technology, managerial capabilities and technical skills in the country concerned, and another side foreign investment may as “imperialistic predators” that would exploit the country and would make political and economic dependency.

Investment is an investment activity on a variety of economic activities (production) in the hope to gain an advantage in the future. The economic theories stated that investment as expenditures for the purchase of capital goods and production equipment for the purpose of replacing and especially add modal goods in the economy that will be used to produce goods and services in the future (Zakiah, Kasimin & Deli 2019).

Investment activity allows a society constantly increase economic activity and employment, increase national income and improve the welfare of society. The role of such investments come from three important functions of investment activity is the investment is one of the components of aggregate expenditure so that the increase in investment will increase aggregate demand, national income, and employment opportunities. Added capital goods as a result of the investment will increase production capacity; Investment is always followed by the development of technology (Saadah, Bernadette, & Mukhlis 2018).

2.6.4 The Role of Investments in Providing Job Opportunities

Although employment creation is another important potential benefit expected from land transfer, the type of jobs created are often characterized by low wages and is often in poor working conditions. Employment impacts are difficult to judge due to the difficulty in differentiating between additional employment and job replacement particularly when smallholders lose access to land.

Besides, information is hard to come with regarding the type of job created as in the case of agriculture, for example, most jobs are seasonal and are mainly performed by unskilled laborers. Employment creation is also often confused with contract farming, which is not a particular type of employment creation in itself but rather contracting of existing farmers leading to no additional employment (Dheressa 2013).

There is mixed evidence on the impacts of land transfer on local infrastructure development and employment opportunities. Investment has an important role in employment, because of the investments will create employment opportunities, and in turn will be able to absorb the labor force. Kartikasari (2017) concluded that investment significantly and a positive effect on employment through economic growth. The increase in employment is done by increasing investment in labor-intensive industries. In line with these studies are; Saadah et al (2018) found that the investments in micro, small and medium enterprises are significant effect on employment.

2.7 Large-Scale Agricultural investments and Local Community's Participation

According to Jesse (2002) decentralization and community participation are vital channels for bringing broader sections of a population into the decision-making process. It is the way for the bottom-up approach where the community and other stakeholders at all levels play an active role through participating in planning, implementation, benefit sharing, etc. of a given resource management or a project activity. There is now a growing consensus among the large body of literature about the attribute of users and resource has been applied in the design of policies intended to enhance the participation of local user in the governance and management of land and natural resource (Catacutan and Tanui 2000).With regard to large-scale agricultural investment scenario, each land deal and agricultural investment project involves multiple parties on both sides of the agreement. On the provider side, several government agencies are typically involved, such as the Ministry of Agriculture or the agencies responsible for foreign investment. On the buying side, land deals are often a public private venture; the purchasing private investor or country's government signs and sponsors the land contract, and then brokers a deal with a private entity to implement and carry out productive activities (Cotulla 2011). It is also common that the buyer will involve a number of advisors, consulting firms, and international lawyers to acquire the necessary local knowledge and capacity to carry out the purchase. The process of concluding a land deal is complicated to the extent that even investors lack a clear overview of

exactly what steps are involved (Cottula et al. 2009). Moreover, a number of the deals do not address environmental impacts such as water depletion and/or only provide weak safeguards for local interests. Often, local people are not involved in the decision-making processes before the deals are signed. Negotiations and contracts are rarely transparent or made public in a detailed way. Information on the deals is frequently not accessible (Cottula 2011).

2.8 Land Acquisition by the Investors and its Impacts on Farmers

While foreign capital is invested in a wide array of agricultural assets, international debates and research has recently focused on foreign investments for the control of agricultural land on a large scale. This focus can be partly explained by the multifunctional characteristic of land. Beyond its economic value, land also has social, cultural and religious values in many countries. Large-scale land acquisition raises complex issues across various dimensions: legal, economic, social, environmental, ethical and cultural. Studies show that foreign investment in land takes place through purchase or long-term leases. Long-term lease of agricultural land is a more frequent arrangement than purchase in the case of foreign investment, partly due to the fact that several countries have regulations prohibiting the sale of land to foreigners. However, the economic and social implications tend to be similar as for outright sale since lease contracts are generally for a long period (typically 50 years and sometimes up to 99 years). In some cases of purchase, a local counterpart to the foreign investor is involved. Several organizations have tried to estimate the area of land that has been the object of large-scale transactions in recent years using different sources.

The non-governmental organization GRAIN has operated an online database of land acquisition mainly based on media reports (Visser & Spoor 2011). Estimates that are solely based on the collection of media reports may be misleading, as a substantial share of the announced projects does not materialize in an actual transaction for various reasons (including decision by the investor not to proceed). Systematic inventories of land deals based on official government records, crosschecked with third-party sources are likely to produce more reliable estimates. The figures gathered through these national inventories are usually lower than those based on media reports.

In Mozambique, for example, media sources arrived at more than 10 million hectares acquired between 2008 and 2010, whereas a national inventory for 2004–2009 calculated a figure closer

to 2.7 million hectares (Cotula& Polack 2012). The average size of individual transactions is also smaller than that suggested by media reports. The World Bank estimates that an area of 46.6 million hectares was acquired between October 2008 and August 2009 (Liu 2014).

Various studies suggest that investors are targeting countries with weak land tenure security, although they seek countries that at the same time, offer relatively high levels of investor protection. The data from the Land Matrix reveal a tendency for investors to focus on the poorest countries, and those that are also less involved in world food exchanges. The targeted countries are among the poorest, are poorly integrated into the world economy, have a high incidence of hunger, and weak land institutions. Some 66 percent of the deals reported in the Land Matrix were in countries with high prevalence of hunger (Davis D’Odorico& Rulli 2014).

The implications for food security are even more significant when one considers the type of land that is being acquired. Investors have a tendency to target land with high yield gaps, good accessibility and considerable population densities. Spatial analysis of land deals reveal that they tend to target cropland where the yield gap is relatively large, and where additional inputs (water, fertilizers, seeds, infrastructure and know-how) may create greater yields. For example, land acquisitions in Mali and Senegal are heavily concentrated in the irrigable areas of the Ségou Region and the Senegal River valley, respectively (Cotula& Polack 2012).

Accessibility is another criterion for choice of target area: the majority of deals may be less than three hours away from the next city. The lands targeted by investors are located near roads and markets. More than 60 percent of all land deals target areas with population densities of more than 25 persons per km² (Anseeuw et al 2012). Approximately 45 percent of the land deals included in the Land Matrix database concern cropland or crop-vegetation mosaics. Intensive competition for cropland with local communities is therefore likely. Even where national indicators may suggest large reserves of suitable land, transactions are often found within cultivated areas and farmland. This finding questions the assumption that investments are mostly focused on non-utilized land and serve to bring it into production. It has important implications for food security, especially if the crop is destined for exportation.

As a majority of foreign investment projects aim at export markets or the production of bio fuels, they may pose a threat to food security in low-income food-deficit countries, especially if they replace food crops that were destined for the local market. The net effect on food security will

also depend on the additional income generated by the project, its sustainability and how it is distributed in the local economy (Davis D'Odorico, & Rulli 2014).

2.8.1 Environmental Impacts of Investment

More broadly, the environmental impact of the investments studies was difficult to discern, and so will be the subject of further research. Although environmental issues were not raised often in the stakeholder interviews, this cannot be taken as an indicator of limited environmental impact. Interviewees would tend to raise only those obvious issues that they directly experience (such as those mentioned above). But most environmental consequences materialize gradually and may not be immediately obvious to surrounding communities. Although some government environmental officials were interviewed, the results tended to reinforce the above conclusions about the inadequacy of environmental monitoring (Zhan, Mirza& Speller 2015).

The literature on impact investment tends to focus more on its financing of social initiatives, and it has helped fund affordable housing, care for the elderly and educational opportunities, among many other products and services. However, it seems that there is growing interest from investors in creating environmental impact (Mudaliar, Schiff & Bass 2016), through investments in a wide range of sectors including clean tech, green construction, land remediation, sustainable forestry and biodiversity conservation.

Impact investment is reported to be the fastest growing strategy for socially responsible investment (SRI) in Europe (Eurosif 2016). Like many other socially responsible investment strategies, it seeks to achieve positive social or environmental impacts, but it is generally differentiated by its intention to generate measurable benefits and actively measure these (Eurosif 2014).

It is used to fund a broad range of activities that tackle environmental and social problems and represents a new source of finance for charities, social enterprises and businesses with an environmental and/or social mission in addition to seeking profit – and may offer increased employment prospects in these organizations as a result. It can also help governments fulfill their responsibilities more effectively by financing innovative approaches to public services (Social Impact Investment Taskforce 2014).

2.9 Obligations of Large Scale Agriculture Investors

In investment in large scale agriculture, there are no clearly stated rules or directives that oblige investors in land to share their benefits or profit from the land they use with the previous users of the land. Large scale agricultural land transfer contracts have neither provision for meeting the country's food security needs nor stipulate obligations for the investors to provide social services to the local communities where they operate their agribusiness. Investors are not obliged to supply the local or national markets, but rather they are strongly encouraged to engage in exportable products, hence they export most or all of their products to foreign markets. The developments of basic infrastructures, such as roads and irrigations schemes for the projects are even constructed by the government in most cases (Getnet 2012).

Contracts signed directly between Federal Government Authorities and agribusiness investors, and contracts signed between Regional State Authorities differ in some ways. For example, according to a study by Desalegn Keba (2013), almost all contracts signed between Oromia Regional Authorities and agribusiness investors oblige investors to plant native tree species in at least 2% of the project land they use, but in contracts signed between investors and Federal Government Authorities, the Federal Authority did not strictly impose such obligations, instead the investors were required to „conserve tree plantations that have not been cleared to make way for cultivation of crops.

Although, all large scale agriculture investments are required to include in their Environment Impact Assessment (EIA), assurance that the project would not cause damage to the natural environment such as bad land management practices, there was significant clearing of woody and herbaceous vegetation and pollution of soil, air and water. Subsequently, multiple studies have shown lack of accountability have resulted in the loss of vegetation cover and bio diversity, pollution to soil, water and air and serious soil erosion and land degradation thereby depriving local community of their valuable natural resources (Desalegn 2013; Gobena 2012; Richards 2013).

The Regional offices and staff have the responsibility to monitor and enforce project obligations. However, they have very limited institutional and technical capacity to undertake these tasks effectively. The projects are scattered across the country, which makes it difficult for the staff,

which are already overburdened with other duties, to conduct periodic visits for on-site inspection and monitoring.

There is also lack of inter-agency cooperation in the process of decision making. For instance, MoARD carried out almost all the decision making while more concerned agencies like the Ethiopian Wildlife Conservation Authority (EWCA), Ministry of Culture, Ministry of Energy and Water and others were often not consulted. For example, management of the Ethiopia's national parks, game reserves and sanctuaries are the core responsibilities of EWCA, but its jurisdictions and mandates were often violated by the practices of MoARD. According to Dessalgn (2011), the EWCA authorities were not informed about the decision by MoARD to transfer thousands of hectares of land inside the Gambella National Park as well as the Babile Elephant Sanctuary in Eastern Oromia region to investors until the issue was brought to the attention of EWCA authorities by activists, media and concerned groups.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Description of Study Area

The study is conducted in Limmu Kossa district, which is found in Jimma Zone, Oromia National Regional State. It is situated at 70° 57' N latitudes and 36° 03' E longitudes. The administrative center of the district, Limmu Genet (formerly Suntu) is found 75 kilometers west of Jimma town and 426 kilometers south west of Addis Ababa, the capital city of Ethiopia. The district is bounded by Chora Botor district in the northeast, Mana district in the east, Tiro Afeta district in the south, Gomma and Illu Aba Bora in the southwest and Limmu Sekaworeda in the northwest (Limmu Kossa District Communication Office report 1980). The total population of the district is about 254,911 according to 2005 census with 14,622 square kilometer land size. About 44 kebeles are founded in the district. Rural people account for 92.18 percent of the total population and the urban dwellers count for 7.82 percent (CSA 2007).

The district has an altitude ranging from 1300 m to 2700 m above sea level. The average annual rainfall is 1200mm to 2000mm. The daily range of temperature is between 10°C to 25°C. The climatic condition is Badda Daree and Badda. 39.7 percent of the land is under forest coverage, 24.6 percent is under annual crops, 20.3 percent is pastureland and 15.4 percent is degraded land. Coffee is the dominant crop and covers over 50 square kilometers of the district's land (Limmu Kossa district Agricultural and Rural Development Office Report 2015). Natural forests and manmade forests are predominant in the district.

Tiro Boter Becho (Chora Botor district) and Babiya Folla (Limmu Kossa district) natural forests are protected by the government and cover 93,822 hectares in ex-Limmu Kosa district. Chromic and Pellic Vertisols, Orthic Acrisols and Dystric Nitisols are the major soils found there. Wildlife includes ape, antelope, lion, panther, warthog, pig, civet cat and hippopotamus are found in the district.

In 2005, about 34.9 percent, 20 percent and 39.7 percent of the district area were respectively arable (24.6 percent under cultivation), grazing and forest lands (including bush and shrub). The most widely cultivated crops are maize, sorghum, teff, finger millet, barley, horse bean and haricot bean. Of course, coffee is also widely cultivated. It covers 6,234.5 ha in current Chore Botor district whereas it covers 26,554.6 ha in current Limmu Kosa district (Bosolasco 2009).

3.2 Study Design

The researcher employed the descriptive research design to describe and explain data which were collected from the respondents. Accordingly, the data which were obtained from the participants described in detail in order to realize the objectives of the study. In terms of time the researcher used cross-sectional research design to collect data once at time.

3.3 Research Approach

The study employed both qualitative and quantitative research approaches. The qualitative research approach used to collect data through key informant interview, in-depth interview and Focus Group Discussion. It was used to collect detailed data through enabling the participants and the researcher to explain their ideas in detail. The quantitative research approaches were conducted to collect the data from the respondents through questionnaire. The researcher distributed the questionnaires to each and every individual who were the respondents. It is believed that mixed method is the best approach to conduct a research that constitutes both quantitative and qualitative data to be collected, analyzed, and integrated, thereby drawing interpretations based on the combined strengths of both sets of data (Creswell 2015; Creswell and Plano Clark 2011).

3.4 Types and Sources of Data

Both primary and secondary sources of data collection were selected to collect relevant data.

3.4.1 Primary Data Sources

The primary data were collected from key informants through interview, focus group discussion, and in-depth interview from selected respondents including farmers (coffee producers), investors (those who are investing in coffee production in the study area), Limmu Kossa district's Agricultural office.

3.4.2 Secondary Data Sources

The secondary data were collected from different written documents, magazines, articles, published census and researches conducted previously on this area of the study issue. The secondary sources are selected based on their contents which are related to the issue under the study. Secondary sources are selected based on their years of publication by considering using the updated data; it was also by considering whether those secondary sources are reliable or not to use for the study purposes. The research selected the secondary sources by considering that those sources are reliable and put in library as teaching and learning books, the articles published on national and international journals which are accepted by the scholars and organizations.

3.5 The Study Population

The targeted population of this study were the small scale farmers those who are living there around where the investment is operating. These small scale farmers are those who are running their lives with coffee production, production of cereal crops and rearing animals in the study area. The others are those people who are displaced from their former residential areas and resettled in different scenarios for the case of investment in the study area. These people are selected based on their experiences about the issue under the study since they are familiar with the situations about the investment in the study area. The household who were employed to work with investors are temporary as daily laborers and permanently were also selected. Those individuals are targeted as study population, because of that they are impacted both negatively and positively from the large-scale coffee agricultural investment in the study area.

3.6 Data Collection Methods

The researcher employed different data collection methods to collect qualitative and quantitative data. These methods are described below. .

3.6.1 Survey Method

This study used survey method to collect quantitative data from the respondents of the study depending up on the second objective of the research. To extract quantitative data from the respondents of the study, questionnaires that constitute a list of structured questions was prepared and used. The researcher assigned people to distribute the questionnaire for those who can read and write and reading the questionnaire for those who can't read and write to fill their responses.

The researcher also engaged in distributing the questionnaire to collect the data from the respondents. This method employed to ensure more accurate data and allows the respondents to be more candid with their responses. Accordingly, quantitative data were collected from the respondents through questionnaire.

3.6.2 In-depth Interview

In-depth interview is employed to collect data from the interviewee based on interview guidelines. The researcher used both unstructured interview guidelines. The interview is conducted with farmers those who are impacted by the investment, and the employers those who are depending on the investment as means of income generation and job opportunities. It is conducted besides other methods to get data information about the feelings of the interviewees on the issue under the study. The interview was conducted to address the first and third specific objectives of the study. The researcher conducted the interviewee by going to the place where the interviewees are engaging in their works during the data collection.

3.6.3 Key Informants

Key informant was conducted with local leaders, the officials from Limmu Kosaa Agricultural office and those who are responsible for providing land for the investors) and the local leaders for their knowledge about the local community. The data collected from the key informant interviewee is used to address objectives two and three of the study.

3.6.4 Focus Group Discussion

The focus group discussion was conducted by dividing the populations of the study into different groups. The researcher organized three FGD which were comprised of nine members of individuals in each group. Discussants were organized based on the homogeneity of the group members. The researcher organized homogenous groups by dividing the discussants as farmers, guards, males and females, daily laborers and so on. This is to give the chance for the people to express their ideas and feeling without trouble and fear. Three FGD were conducted and it includes nine individuals and the total numbers of the discussants were twenty seven. The researcher was moderator to facilitate the participants of the study during data collection. The researcher discussed with the discussants the three specific objectives of the study to get detailed data on the issue under the study.

3.7. Instruments of Data Collection

The study employed different instruments of data collection to get relevant information about the study. These instruments of data collection are; questionnaire guideline, interview guide and focus group discussion guide.

3.7.1 Interview Guideline

The researcher collected data from the interviewee through interview guidelines in which structured, semi structured or unstructured interview guidelines were employed.

3.7.2 Focus Group Discussion Guideline

The focus group discussion guideline used to collect relevant data from the discussants of the study during discussion on the issue of the study. In this case the researcher discussed different important issues about the study with the discussants based on the focus group discussion guidelines.

3.7.3 Questionnaire Guideline

The questionnaire guideline was used to collect the data from the respondents. The researcher distributed the questionnaire for the respondents how can read and write to collect the relevant data for this study. For those respondents who can't read and write, the researchers assisted read the questions for them and filled after their responses orally.

3.8 Sampling Techniques and Sample Size

The researcher employed both probability and non-probability sampling techniques to select the participants of the study from all the investors and local communities, and governmental officials. Simple random and purposive sampling is employed to select the participant of the study in the study area.

3.8.1 Purposive Sampling

The researcher employed purposive sampling technique to select the participants of the study from all the coffee producers, community elders and so on in the study area. The purposive sampling employed to get the coffee producers, elders those who are the community leaders purposively.

This is to get relevant data to the study from the household who are experiencing the issue under the study. These people were selected purposively since they are familiar with the issue under the study.

3.8.2 Simple Random Sampling

The researcher employed simple random sampling to select the respondents from the study population. The researcher employed simple random sampling to provide equal chance of involvement for each and every individual.

Sample size determination formula

Kothari 2004; states that when population size and population proportion of major interest are available;

$$n = \frac{z^2}{e^2} \times \frac{p \cdot q \cdot N}{(N - 1) + z^2 \cdot p \cdot q}$$

When, n = Sample size

P = proportion of population containing

q = 1- p

$$n = \frac{1.96^2}{0.05^2} \times \frac{0.5 \times 0.5 \times 116}{(116 - 1) + 1.96^2 \cdot 0.5 \times 0.5} = 82$$

3.9 Methods of Data Analysis

The researcher analyzed the quantitative data by using SPSS version 20 and descriptive statistical producers like percentage and tabular forms were presented as data results. The qualitative data were analyzed through content analysis by focusing the objectives of the study. The researcher interpreted the data collected from the participants of the study.

The researcher described, explained and analyzed the data which were collected from the respondents in detail to address the objectives of the study.

3.10 Reliability and Trustworthiness of Data

Reliability and trustworthiness are very important to conduct the study accordingly. Kim et al (2007), stated that reliability indicates the extents to which a variables or set of variables is consistent in what it is intended to measure. Reliability analysis used to measure the consistency of a questionnaire. To ensure the reliability of the questionnaire, the researcher collected the data from the respondents at different time and compared the answers of the respondents, whether they gave the same responses or not. In order to provide trustworthiness of this research, this study used Lincoln's framework to ensure trustworthiness (Lincoln 1985). The trustworthiness of this study was based on the four criteria's that the researchers have to address in order to create trustworthiness to the study; transferability, credibility, dependability and conformability.

In the case of its transferability the study is conducted as it can be possible to apply the result of the study to other situations as its importance. The researchers, academicians, governmental and non-governmental organizations can apply the result for this study for different purposes that they want to use. The conformability of this was ensured, since the researchers analyzed, interpreted and processed the data which were obtained from the participants of the study without adding owns feeling and emotion. This study should be from free any bias for the sake of its conformability. The credibility is strengthening considering that the researcher was at the informants' living settings to collect the relevant data from the respondents. The data were analyzed based on the empirical evidences which will be collected from the participants and other sources to ensure the credibility of this study high. To ensure the undependability of this study, the research used the data which were collected from the respondents to conduct the study.

3.11 Ethical Considerations

Ethical consideration is the very important issue to conduct the study. The study should follow ethical consideration to undertake the rule to be followed to conduct the study. In conducting any research, it is obvious that there is an ethical responsibility to do the work honestly and with integrity (de VosWeir et al. 2007). Ethical considerations have to be taken seriously in research in order to protect and respect the privacy of the informants (Bryman and Cramer 2011; Hotho et al. 2015). The authors pointed out the main ethical issues that can occur during research, in which they claim are; harm to informants, lack of informed consent, invasion of privacy, and deception.

For the sake of ethical consideration for this study, the letter was written from Department of sociology to help the researcher for data collection. The researcher kept the data which were obtained from the respondents confidentially. The participants of the study were given full right to be the study participant for interview, focus group discussion or other. It is also the right of the participants to withdraw from the study at any time they want during data collection. The respondents had full right to ask whatever they want if they are not clear with the objectives and aims of the study. The name and picture of any participant were not included in this study.

Chapter Four

4. Results and Discussions

4.1 Introduction

This chapter deals with the data analysis, interpretation and presentation. The chapter contains five parts. In the first part of the chapter the socio-demographic information of the respondents includes age, sex and educational levels were presented. The second part of the chapter deals with the data presented on the nature of relationship among the investors and households in the study area. The third part of the chapter presents the contributions of coffee agricultural investment on the livelihood activities of the household. In this part, both positive and negative impacts of the investment on the livelihood were presented. The fourth part of the chapter deals with both positive and negative social impacts of the investment on the social lives of the household in the study area.

As mentioned earlier, among various data collection instruments, questionnaire and interview were used to collect the relevant information for this study. Thus, a total of 89 questionnaires were distributed to small scale farmers those who are living there around where the investment is operating. The others are those people who are displaced from their former residential areas and resettled in different scenarios for the case of investment in the study area. Unfortunately, only 82(92.2%) of them were properly filled and returned the questionnaire to the researcher. Among these 5 respondents could not be returned and a total of returned 2 responses were excluded from analysis due to irrelevant information and not correctly filling the questionnaires..

4.2 The Socio demographic Information of the Respondents

The following sections are dealing with the socio-demographic information of the respondents and briefly explain about the gender, age, educational level of the respondents.

Table 4.2.1: Gender of the Respondents, Age and Educational Background of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	48	58.5	58.5	58.5

	Female	34	41.5	41.5	100.0
	Total	82	100.0	100.0	
Valid	18-30	32	39.0	39.0	39.0
	30-40	30	36.6	36.6	75.6
	40-50	16	19.5	19.5	95.1
	Above 50	4	4.9	4.9	100.0
	Total	82	100.0	100.0	
Valid	Grade 1-8	11	13.4	13.4	13.4
	Grade 8-12	4	4.8	4.8	4.8
	Certificate	6	7.3	7.3	7.3
	Diploma	12	14.6	14.6	14.6
	Degree	44	53.6	53.6	53.6
	Masters	5	6.1	6.1	100.0
	Total	82	100.0	100.0	

Source: researcher's own Survey 2021

The above table concludes the demographic (gender, age and educational background) of the respondents. Based on this 58.5% of the respondents are male and 41.5% are female. This indicates that most of the respondents were men. The table concludes that the most of the household were men than women. The ages of the respondents were ranging from 18-50 and above. Among the respondents 39% were between 18-30 years old, 36.6% respondents were between 30-40 years old, 19.5% of the respondents were between 40-50 years old and 4.9% of the respondents are between 50 and above years old. This shows that the majority of the respondents were young individuals who were founded between 18-30 years old. From this it is

concluded that, majority of the population are young individuals who are suffering from problems they are facing because of the investment. The educational levels of the respondents were Grade 1-8, Grade 9-12, Certificate, diploma, degree and master degree. The educational levels of 13.4 % respondents are Grade 1-8, 4.8% respondents are Grade 9-12, 7.3%respondentes are Certificate, and 14.6% respondents are diploma while 53.6% and 6.1% of the respondents are degree and masters holder respectively.

4.3 The Nature of Relationships among Local Communities, Investors...

The relationship among the local communities and investors has been seen from different aspects. The investors and the local communities do have relationship in which they are sharing Even though it is not all the investors who shows smooth relationships with local communities, there are some investors who do smooth relationship with local communities. The relationship among the investors and the local communities either discourages or encourages the participation of the local communities in the process of the investment. In case there is smooth relationship among the investors and the local communities, the local communities are participating in the process of the investment. However, if the relationship among the investors and local communities are not good, the people are not motivated to participate in the process of the investment.

Table 4.3.1: The relationships among local communities, government and private investors are very good

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	1	1.2	1.2	1.2
Agree	15	18.3	18.3	19.5
Valid Uncertain	16	19.5	19.5	39.0
Disagree	40	48.8	48.8	87.8
Strongly disagree	10	12.2	12.2	100.0

Total	82	100.0	100.0	
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Source: Researcher's Survey 2021

The data obtained from the respondents shows that the relationship among the government, local communities and private investors are not smooth. Among the respondents only about 1.2% strongly agreed that the relationship among the investors, government and local community is good. And also about 18.3% of the respondents were agreed on the same idea, while 48.8% and 12.2% were disagreed and strongly disagreed respectively. There is no smooth relationship among the investors and the smallholder farmers for that the investors are enforcing the people to be displaced from their farmlands, with low amount of compassion. It is for that reason the farmers are not happy to interact with the investors.

A discussant of FGD 2 stated that the people don't have smooth relationship with the investors for different reasons. One of the indicators for the absence of smooth relationship among the investors and the local communities is the way that the investors are hiring the employees for different positions. Some investors are hiring the employees whom they are inviting from, their homelands where they came before. When they are doing so, the people don't like to have smooth relationship with investors and those employees. The people are asking from time to time to employed and when the investors refused to hire the people that leads them to conflict. Without answering the questions of the people and hiring those for different positions the investors are hiring the managers, accountants and some daily laborers based on the personal relationship that they do have. The people also stated that, even though they are employed by the investors it is because of minor errors that they do the managers enforce them to leave their regular works.

Fifty three years old (IDI-6) man stated his expressing about the relationship among the investors and the people in the study area as follows;

It is because of the introduction of the investment that I and my family members are displaced from my land farm and resettled here around. I employed as a guard and working here for about five years. Once up on a day unfortunately I faced difficulties and left from work. When I arrived after two days, the manager told me that he replaced another person in my position as guard. Then I felt angry and fought with the manager. Later he told me that I couldn't back my job and

left without paid any compassion. So, it is for such problem that there is no smooth relationship among the investors and the local people.

A discussant of FGD1 also stated that the local people are facing difficulties to cross through the roads in the area where lands are restricted for investment. The people stated that they can't cross through the areas restricted for investment when they are looking after their cattle and go to for different issues. It is restricted and under the control of the investors and people never allowed to cross through the area and watching their cattle there around. So, it is for such reason that the local smallholder farmers and the investors don't have a smooth relationship.

Another fifty five years old IDI-5 woman also stated that she faced difficulties when the guards caught her cattle because of entering in to the area restricted for investment

After displaced from my residential area here around, I lost many hectors of lands and left with small amount of lands on which I am rearing cattle. One day I told to my children to keep the cattle there around where there is investment. Unfortunately, they forgot to look after the cattle and the cattle entered to the investing land and caught by the guards. When I went to take my cattle the guard told by his manger to take five hundred birr from me to release my cattle. I told him that I can't pay that much amount of money and he refused to release my cattle. Then I called for the local elders and they advised the guard to release my cattle.

From the above statements, it is concluded that there is no good relationship between the investors and the people. The local people are facing difficulties because of the investment in their residential areas and that is why they don't want having a good relationship with the investors. The investors also challenging the local people with different reasons and them also don't want to a good relationship with the people.

Table 4.3.1: The process of large-scale agricultural investments encouraging the local communities to participate

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	1	1.2	1.2	1.2

Agree	16	19.5	19.5	20.7
Uncertain	12	14.6	14.6	35.4
Disagree	36	43.9	43.9	79.3
Strongly disagree	17	20.7	20.7	100.0
Total	82	100.0	100.0	

Source: Researcher's own Survey 2021

The above table shows how the investors are encouraging the local communities to participate in the process of investment. Among the respondents 1.2% stated that they strongly agree and 19.5% are agreed with the idea that the investors are encouraging the local communities to participate in the process of investment. Another 43.9% and 20.7% respondent are stated that they are disagreeing and strongly disagree that the investors are encouraging the local community to participate in the process of investment. It implies that most of the respondents were stated that the local communities are not encouraged to engage in different processes of the investment which includes land transferring, paying the compassion and so on. It is stated that the processes of the investment is about the decision among different entities like governmental officials, investors and so on. When they want to take lands for investment the investors are discussing the issue with governmental officials. The governmental officials are not willing to discuss the issue with the local communities and this shows that the local communities are not encouraged to participate in the process of investment at different levels. In this case the communities are not deciding what happened to them concerning the investment. Even after land is transferred for the investors for investment, the investors are not volunteer to discuss with the local communities on how to operating the investment in the local scenario.

A discussant of FGD 3 stated that the local communities are not encouraged to participate in the process of the investment in which even they can suggest different mechanisms to operate the investment by considering the local environment. Most of the time the agreement is only among different governmental officials and the investors as stake holders to decided whatever they want to transfer the land for the investors and to pay compassion for the local communities. The local

communities were not given rights to decide on how much compassion should be paid for them when their land is owned by the investors.

A fifty five years old IDI-9 man interviewee from kossa kebele stated sharing his experiences about the participation of the people in the process of investment as follows;

During the introduction of investment, the investors invite the people to attend a meeting and promised to the people to participate in decision making about the process of the investment. I participated in different meetings at different times. Even though the people expressed their feeling and interests about the process of the investment, the investors didn't do what they promised to do with people. For these reasons, people are not ok to attend the meetings when they invited by the investors.

A discussant of FGD 3 also stating that even though the people show their interests to participate in the process of the investment, most of the investors don't like to listen to the interest of the people, rather they want to impose their interests on the people to process the investment. Sometimes the investors invite the people to present their interests about the process of the investment, but they don't realize the interests of the people and their promises for the people. During the introduction and expansion of the investment in the study area, the people are called to attend the meetings for the discussion of the investment processes. Even though the people are presenting their ideas and interests, it is not practiced by the investors. The investors don't want to realize their promises for the people to participate in the process of the investment. This discourages people to show their willing to participate in the process of the investment.

From the above statements, it is concluded that the participation of the small-holder farmers in the process of the investment in the study areas is very low. The investors are imposing their ideas and willing on the people about the process of the investment rather than encouraging the people to contribute their role in the process of the investment.

Table 4.3.2: The local population participates in the process of large scale land transfer parts pet in Limmu Kossa District

	Frequency	Percent	Valid Percent	Cumulative Percent

	Agree	8	9.8	9.8	9.8
	Uncertain	33	40.2	40.2	50.0
Valid	Disagree	25	30.5	30.5	80.5
	Strongly disagree	16	19.5	19.5	100.0
	Total	82	100.0	100.0	

Source: Researcher's own Survey 2021

The above table shows whether the local communities are participating in the process of land transfer to the investors or not. Among the respondents about 8% said that they are agreed with the idea, about 33% said that they are uncertain, while 25% and 16% of the respondents said that they are disagreed and strongly disagreed about the idea respectively.

The data obtained from the respondents show that the participation of the local population in the process of land transfer is very low. The investors are discussing the issue of land transfer with governmental officials those who are working in different offices. After discussing with those officials, the local communities are told to leave their land within short period of time. In this context people can't do anything without leaving the land for the investors with some amounts of compassion they will be given. And also sometimes the way they land is transferred to the investors is corrupted and the local communities are missing different opportunities in that process. When they transfer the land for the investors different officials are by the side of the investors to decide the amount of money paid for the local communities as compassion. Since they are paid by the investors they never consider about the local community by favoring their interests and benefits.

IDI-2 man who is thirty three years old interviewee shared his experience as follows by expressing what happened to him;

I have been living here for more than ten years after arrived here from other area. I do have lands for farming and grazing since I was engaging in farming and rearing cattle. Once up on a day, I told that my land is needed for the investment by one of the governmental official. He told me that I had leaved the area with a short period of time with the lowest amount of compassion.

Then, I asked to give me additional time to harvest my agricultural products. But they were not ok about that and I left after harvesting only few productions.

A discussant of FGD 2 also stated that the participation of the local population in the process of land transfer is very low. The local populations are not participating in the land transfer process when they investors are provided lands for investment by the local governmental officials. Most of the time the local population are not informed properly and they are not aware when and how their land is going to be owned by the investors. The transfer of land from the farmers to the investors is the decision of the governmental officials and the investors in which local communities are restricted to decide about the issue. This is because of the corrupted officials who are working with the investors who want to pay low amount of compensation for the local communities to take the lands for investment. The people stated that even they are not aware about what is going on when their lands were going to be given for the investors. It is after the agreement among the investors and the governmental officials that the people will be told to leave the lands which will be transferred to the investor.

From the above ideas, it is concluded that, the participation of local communities in decision making about the transfer of the land for the investor is very low. The right of the local people to decide on the land transfer for the investors is denied by some governmental officials those who are working with the investors. It is for their personnel benefits that those governmental officials are denying the right of the local communities to decide about their lands. The investors also don't like to encourage the people, to take part in decision making when the land is transferred for the people. The right of the land owners to ask for compensation is denied by both the governmental officials and the investors.

4.4 The Contributions of Investment in Improving the Livelihood activities

The large-scale coffee agricultural investment contributes in improving the livelihood of the farmers in the study area. The people are benefiting from the investment to improve their livelihood by engaging in different activities through labor force, hiring as employee and so on. The investors are contributing in improving the livelihood of the people through providing job opportunities for the people. The people are working as daily laborers, professional workers, guards and so on to generate income for their livelihood.

Table 4.4.1: Large-scale coffee agriculture investment in your district contributes in improving the livelihood activities

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly	12	14.6	14.6	14.6
Agree	26	31.7	31.7	46.3
Uncertain	37	45.1	45.1	91.5
Disagree	4	4.9	4.9	96.3
Strongly disagree	3	3.7	3.7	100.0
Total	82	100.0	100.0	

Source: Researcher's own Survey 2021

The above table shows whether or not the large scale coffee agriculture contributes to improve the livelihood of the local communities or not. Based on the data obtained from the respondents, 14.6% of the respondents strongly agreed that the large scale coffee agriculture investment contributes to improve the livelihood of the local communities. The respondents stated that the local communities are participating in different activities which contribute in improving their livelihoods. It is the local communities who are engaging in labor force activities to generate incomes to run their livelihoods. And also 31.7% of the respondents agreed with the idea that the large scale coffee agricultural investment contribute to improve the livelihood of the local communities. The respondents said that the investment provides different job opportunities to enhance the livelihood of the local communities.

Additionally, the data obtained from the interviewees stated that the investment contributes in the livelihood of the local communities. The local communities are provided job opportunities and they are working by engaging in different activities. The investors are employing the local communities as guards, daily laborers and so on. When they provided the job opportunities by the investors, the local communities are running their livelihood by the income that they gain monthly or daily from the investors.

A sixty five years old key informant interviewee stating his ideas about the contributions of investment in the livelihood of the local communities as follows;

I have been living here for more than ten years. Before the introduction of the investment here, I didn't have any job to generate income to run my livelihood. And also I have no land to farm and run my livelihood and I work as daily laborer in different settings. But now after the establishment of the investment here around, I employed as a guard and paid monthly. Now I can say that I do have my own income to support my family. It is with the income that I am getting by working here that I fulfill the needs of my family. So, the investment is supporting me to gain income which can support me to run my livelihood.

A discussant of FGD 2 also stated that the people are engaging in different kinds of daily labor to run their livelihood through generating the income from what they are doing. The women are engaging in collecting coffee beans to separate from coffee berries when coffee is crushed by machine. The people also separate unnecessary things which can be mixed with coffee beans when it is crushed by the machines. When they are separating the coffee beans from unnecessary things, they paid either weekly or daily by the investors. This helps people to run their livelihood with the income that they are generating from what they are doing.

From the above statement, we can understand that the large-scale agricultural investment is contributing in improving the livelihood of the local communities. The people are running their livelihood by engaging in different activities as employees. However the investment is not only contributing positively in the livelihood of the local communities. People are suffering from economic constraints which contribute in their livelihood negatively.

4.4.1 The Economic Benefits Investment

The investment also provides different economic significance for the local smallholder farmers who are living in the study area. Those people are benefiting from the investment economically multiple jobs which are provided for the local people. The investment also enhances the people economically through providing improved coffee seeds for the people.

The people are benefiting from the improved coffee seeds through increasing their coffee production. The increment of coffee production helps the people to increase their income which contributes for their income.

Table 4.4.2: The Economic Benefits Investment Brought to Local Community in Limmu Kossa District is great

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	15	18.3	18.3	18.3
Valid Uncertain	22	26.8	26.8	45.1
Valid Disagree	45	54.9	54.9	100.0
Valid Total	82	100.0	100.0	

Source: Researcher’s own Survey 2021

The above table concludes the economic benefits that the local smallholder farmers are getting from the investment. The data obtained from the respondents shows that, 18.3% of the respondents are agreeing with idea, while 45% of the respondents disagree about the ideas related to the economic benefits of the local communities from the investment. This shows that, most of the small holder farmers are not benefiting from the investment economically in the study area. Those who are benefiting from the investment economically are those who are engaging in different job opportunities which are provided for the people by the investors.

A discussant of FGD 2 stated that there are multiple job opportunities provided for the people by the investors in the study area. The people are running their daily life with the income which is provided for them from those investors by engaging in different activities. The local people are working as daily laborers, machine operator, guards and so on. Hundreds of individuals are working in the coffee investment to support their family. The investment contains the large number of individuals who are working as daily laborer in the farms and factories. The people are generating their income by participating in different activities like collecting coffee beans, coffee plantation and so on.

IDI-1 man who is fifty four years old expressing his ideas about the economic benefits he gets from the local investment as follows;

“It was before eight years that I came here to live with my wife and three children. I don’t have lands for farming when I came here and it is by engaging in daily laborer that I support my

family. But now I employed as the guard at nearby investment and I support my family with the income that I am gaining from this work. Most of the time, it is shift with other, I do have an opportunity to make another income when it is off day to work here. So I am benefiting more from this investment which provided my job opportunity for income generation. Before this I don't have any occupation which helps me to support my family.

Another thirty five years old man interviewee expressing his idea about the economic benefits that he is getting from the local investment as follows;

"I have been living here around even before the introduction of the investment here. After it is introduced here, the investors employed many individuals to work and gaining income. I am among those individuals and I employed and working here as garden. I am planting the coffee and paid by the company. Even before the introduction of the investment here I don't have any options to engage in other activities and it is by daily labor that I support my family. And that is not enough to cover all the expenses for my family. But now I am paid here and I am supporting my family with the income I am gaining from it."

The investors are also supporting the local communities through providing improved coffee seeds which can enhance the economic lives of the people. The investors are distributing the improved coffee seeds for the local farmers to improve their coffee production. The introduction of improved coffee seeds able the local communities to have more coffee production which will be improved their income. The people stated that the improved coffee seed is contributing in the income generation of the farmers from the sector.

A discussant of FGD 3 stated that different technologies are also introduced to the local communities through the investors. The local communities are also adopting different technologies which are introduced by the investors. The investors are introducing different technologies which help them in coffee production and harvesting. These technologies are helpful for the local communities as they get chances to use in performing different agricultural activities.

4.4.2: The negative impacts of investment on Peoples' Livelihood

Even though the investment is contributing in improving the livelihood of the people, it is not all the community members who are benefiting from the investment. Most of the people are

suffering from the investment negatively. The people are most of the time enforced to leave their lands when it is needed for the investment. This promotes the negative impacts of investment on the livelihood of the local communities. The people are displaced from their farming lands, grazing and so on and facing challenging to farm cash crops and rearing cattle. The people are facing problems because of the loose of their farm and grazing lands which contribute more in their livelihood.

Table 4.4.3: Large-scale coffee agriculture investment in your district affected your community livelihood

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	21	25.6	25.6	25.6
Agree	37	45.1	45.1	70.7
Uncertain	9	11.0	11.0	81.7
Disagree	10	12.2	12.2	93.9
Strongly disagree	5	6.1	6.1	100.0
Total	82	100.0	100.0	

Source: Researcher's own Survey 2021

The above table concludes the impact of large scale coffee agricultural investment on the livelihood of the local community. The respondents expressed their ideas in different ways whether they agree or disagree with the idea about the impact of investment on the livelihood of the local communities. Among the respondents, 25.6% said that they are strongly agreed about the impact of the large scale agricultural investment in their livelihood and 45.1% of the respondents are agreed. However; 12.2% and 6.1% of the respondents are disagreed and strongly disagreed about the impact of large scale coffee agricultural investment on the livelihood of the local community. This shows that most of the respondents are suffering from the negative impacts of the investment in the study area.

A fifty five years old key informant interviewee stated his ideas on the effect of investment on the smallholder farmers as follows;

The local communities are affected by large scale agricultural investment when the investors are owned the lands to expand their investments, when they release different wastes to the local environments and so on. To expand their agricultural land the investors are cutting down the trees which causes the deforestation and climatic changes. The deforestation and climatic changes are challenging, the local communities those who engage in agricultural activities. The farmers those are engaging in agricultural activities are facing challenges due to deforestation which results draught and famine. The farmers are also in difficulties since there is no more grazing lands for their cattle, this is because of that the grazing lands are owned by the investors for investment.

A discussant of FGD1 also stated that the people are facing challenges because of the deforestation and climatic changes which is occurring because of the investment. The draught and climatic changes appear when the investors are clearing big trees to expand land for their investment. The investors are cutting down the trees when they construct factories which help for coffee processing in the study area. It is because that deforestation and climatic changes the surrounding communities are facing difficulties to produce different cereals crops like maize, sorghum, wheat and so on. If they are not producing those cereal crops which help for household consumption, food insecurity will be another problem which promotes famine. The people stated that they are challenged to get food to eat if they are not producing since their life depends on agricultural activities.

From the above statements, we can conclude that, there are different problems related to the investment and it affects the livelihood of the local communities negatively. The local communities are missing different strategic activities like agricultural activities (farming, raring cattle and so on) which contribute in their economic lives. The more the investors own the lands for investment is the more the local communities are losing their livelihood. Since the livelihood of most of the local communities is depending on the agricultural activities, people are facing difficulties to participate in agricultural production. When there is low agricultural productivity there is food insecurity, low income and so on.

Table 4.4.4: After the establishment of large-scale agricultural investment local community lost livelihood resources

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	3	3.7	3.7	3.7
Agree	26	31.7	31.7	35.4
Uncertain	42	51.2	51.2	86.6
Disagree	4	4.9	4.9	91.5
Strongly Disagree	7	8.5	8.5	100.0
Total	82	100.0	100.0	

Source: Researcher’s Own Survey 2021

The above table shows whether or not the local communities lost their livelihood after the establishment of the large-scale agricultural investment. The local communities stated that there some community members who lost their livelihood after the introduction of the investment. Among the respondents, 3.7% were strongly agreed with the idea and 31.7% were agreed respectively. The others 4.9% and 8.5% said that they were disagreed and strongly disagreed about the idea. Based on the idea of the respondents majority of the people are lost their livelihood after the establishment of the investment.

A discussant of FGD 3 stated that the smallholder farmers lost their livelihood after the expansion of the investment in the study area. In the study area, the livelihood of the people is depending on agricultural activities which are the source income and food for household consumption. Because of the expansion of lands for the investment, the local communities are displaced by leaving their land to farm on which their livelihood depends. When they displaced from their lands the people leave different agricultural products like mangoes, oranges,

avocadoes, coffee plants and so on. The mentioned agricultural products here are the source of income for the farmers' in the study area to run their livelihood.

A forty five woman of IDI-4 stated what she faced because of the establishment of investment in her residential area as follows;

"I had been living the area where the investment is established now before seven years. But later, when the investors start to expand the lands for investment, unfortunately I enforced to leave my residential. The pain was not that I lost the land, but the coffee plants, bananas, mangoes and other important plants that I lost. These plants were very useful for my income generation and running my livelihood. But now I lost all that things and I am engaging in daily labor to earn my income".

Another forty years old man interviewee expressing his expressing about the agricultural products that he lost as follows;

Before the introduction and expansion of the investment in Mito Gundub village, I was generating income from producing and selling agricultural products like papaya, avocado and mangoes. Most of the times I take these agricultural products to nearby a city like Jimma and selling to run my livelihood. But now, I left my former residential area and I am not producing. I am facing challenges since there is no more source of income to run my livelihood. So, I am suffering from the problem of losing my livelihood because of the investment.

A discussant also stated how they lost the resources that they do have because of the investment. The people sated that the introduction and expansion of the investment enforced them to leave their resources like land, coffee plants and so on. After left that all resources the people said that they were confused to plan their future life. And also, once they lost the resources they do have, it is so difficult to resort the former life and situations. So that people are getting different difficulties because of the interruption of their life and loss of resources. The people said that their entire life is disturbed as they lost their resources when they enforced to leave their residential areas because of investment. The people also face difficulties to rear cattle in the study area because of that they lost the grazing lands which their cattle are feeding. Rearing cattle is another source of livelihood which the people lost because of the investment in the study area.

The youths are also affected by the introduction and expansion of the investment in the study area. The people stated that, when the farming lands are owned by the investors, the youths are migrating from the area where the investment is undertaking and migrating to nearby cities like Jimma and others. When they are migrating from the district to the nearby cities to seek jobs, the youths are suffering from social and economic problems.

One of the interviewees expressing his ideas on how he lost his resources during the introduction of investment in his residential area as follows;

“During the introduction of the investment in my residential area, I had been living by rearing cattle and producing different cereal and cash crops to run my livelihood. When I told to leave the place for the investors, I sold all my cattle like sheep, goat and cows. Then I lost all that and left with nothing. Now I am facing challenges to support my families because of lack of financial sources”.

Another forty three years old man from interviewee stated his experiences about the negative impacts of investment on his livelihood as follows;

“I am a farmer and running my livelihood by producing cereal and cash crops, and rearing cattle. It was because of the investment that I left my farming and grazing land with low compassion which paid for me by the investor. After left my lands, I employed here and now working as an employee here. However the income that I am gaining from the work is not enough to support my family. Before the establishment of the investment here I am producing cereal and cash crops, which help me to support my family. I am also rearing cattle and now that entire scenario is changed and I am suffering from economic problems”.

From the above statements, we can conclude that the people suffering from different negative impacts because of the investment. The small holder farmers are losing their livelihood like agricultural activities, fixed assets (coffee plants, mangoes, avocado and so on). These are the means of livelihood for the people and it is because of the investment that the people are losing those fixed assets as they are displacing from their residential areas for the introduction and expansion of the investment in the study area.

4.5 The Social impacts Investments on the Community

The investment promotes social impacts positively and negatively. The smallholder farmers are benefiting from the investment in which the investors are providing different social services for the local smallholder farmers in the study area. In the study area different social services like educational services, health services, access to water for drinking and so on are provided by the investors for the local communities. To provide these services, the investors are constructing the schools, health services and hand pump water for drinking. Besides its positive impacts on the social lives of the local smallholder farmers, the investment also promotes negative impacts on the social lives of the people. The people are suffering from negative social impacts of the investment like that of losing different social institutions which are very essential for the people, losing social cohesion and different cultural elements.

Table 4.5.1 The Social impacts Investments Brought to Local Community in Limmu Kossa District is very high

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	3	3.7	3.7	3.7
Agree	19	23.2	23.2	26.8
Uncertain	20	24.4	24.4	51.2
Disagree	39	47.6	47.6	98.8
Strongly disagree	1	1.2	1.2	100.0
Total	82	100.0	100.0	

The above table shows whether the social benefits investment brought to the local community or not. The data obtained from the respondents show that 3.7% of the respondents said that they are strongly agree that the investment brought high social benefits for the local community, while 1.2 % of the respondents said that they are strongly disagree about the same ideas. Another 23.2% of the respondents are agreeing, while 47.6% of the respondents are disagreed on the same idea.

A discussant also stated that even though it is not at high level, the investment contributing in social benefits of the local community. The local communities are benefiting from the investments at different levels. There are some investors who are supporting the local communities through constructing different infrastructure like school, health services, and road. These infrastructures are serving the local community through providing different important social services. The societies are benefiting from which helps their children to attend their education as their age is reached to join the school. Healthcare centers are other benefits that the people are provided by the investors in the local area. The investors are constructing different healthcare centers which provide different healthcare services for the local communities. The local communities are benefiting from such healthcare centers by getting healthcare services nearby their residential areas. The investors are also constructing different rural roads for the communities. This helps people to transport their products to the market and it enhances their economic lives too. The road also provides different social services for the people during funeral ceremonies, to go to hospitals, mosques and churches.

A thirty five years woman of IDI-7 expressing her ideas about the social benefits of the investment for the local population as follows;

I am living here around where there is investment. Before the introduction of the investment here, there was no primary school here to teach our children. But now the Limmu Genet primary school is constructed by the investors who are participating in the investment here around. The school is near to my home and my children are attending their education without going far for the sake of joining the school for learning.

Another interviewee also stated his experience on how the local communities are benefiting for the investment as follows by focusing on the healthcare services provided for the local communities by the investors.

Here before the introduction of the investment, there was no healthcare institution to provide healthcare services for the local communities. However, now it is constructed here by the investors and the people are getting healthcare services. Before this we are going to nearby woreda to get healthcare services. Once up on a day, before the introduction the healthcare institution here, my wife felt pain to give birth at 6:00o'clock at mid-night and since I don't have no option I took her to the local people who are serving as midwifery and they supported me. But

after delivered she feel pain and I took her to the hospital to nearby woreda. But now we are provided different healthcare services here with low medication prices. Thanks to the investors those who provided us such opportunities and services to save our life.

A discussant of FGD 3 also stated another services provided for the local community by the investors and its benefits for the people in different situation. The other social benefits provided for the local community is the road. The investors are constructing the rural road which connects people for different social interactions. The people are benefiting the road to transport their products to the market, to take sick people to the hospitals, to go to the school and so on. The people stated that, before the construction of the road for the local community by the investors, there were challenges to transport their products to the market, to go to the Mosques, Churches, and schools and so on. But after the introduction of the investment, the people stated that the problem is curbed and they are benefiting the road which is constructing by the investors.

4.2.1 The Negative Social Impacts of the Investment on Local Communities

The large scale agricultural investment has also its own negative impacts on the social life of the local communities. Because of the expansion and introduction of the investment in the study area, the people are displaced from their residential areas. When they are displaced from their residential areas, people are facing different social problems. The investment promotes negative social impacts when people are missing their neighbors with whom they are sharing social life when they displaced from their residential areas. The investors are only considering about their investment and how they can expanding the lands for the investment.

So, it they never give attention for the problems that people are facing when they leave their former residential area. It is pain for the local communities to miss their neighbor and their social interaction. The people stated that they miss some social interactions like self-help institutions like Iddir, Ikub, Dabo and so on. These are the very important and meaningful social interaction that people miss when they resettled from their residential areas. Missing those self-help institutions also affected the socio-economic lives of the people, since traditional institutions like Iddir and Ikub are contributing for the economic lives of the people. It is because of that these institutions are guarantee for the people in the times of difficulties to cover their expenses like medication fee and so on.

One of the interviewees stated the situation as follows;

“It was since 1995, when I left my residential area with my husband and three children. My land is owned by the investors. I was participating in Ikub and Iddir with the people I left and now facing challenges, because I missed the people. It is not only the people that I missed when I left my residential area, but also I missed their financial and social supports in the time of needy. Before I left my residential areas I have been contributing money or other material monthly to support one another. But now the people are left the residential area and we are not sharing life together.”

A discussant of FGD 2 also stated the people are facing the challenges because of the distraction of social interaction as the introduction and expansion of investment. The people mentioned that that, some self-help organizations are interrupted as the people are migrated from their former residential areas because of the investment. “Daboo” is one of the self-help institutions that people are missed as they displaced from their former residential areas because of the investment. Daboo is a kind of self-help organization in which people are supporting one another to harvest coffee, maize and other production when it is getting ripe. They also support one another to plough lands, sow the seeds, building houses and so on. When they are gathering together for “Daboo” the people do have their own traditional songs which they use to encourage the members those who are participating in harvesting coffee, maize, and other products and building houses. So, they also missed those local songs which are one element of their social life.

The investment also enforces people to migrate from their former residential areas to other places. When they are migrating from their homeland, the people are facing challenges to adopt themselves to the new environment, culture and norms of their destination. The people stated that it difficult for them to continue their former social life with the people those who are at their destination. The people at their destination also treat those individuals who migrated there because of investment as strangers. It is because of that they don't want to interact with one another.

A thirty four years old man among the interviewees stating his experience by focusing the challenges he faced as follows;

It was since 2003 E.C. that I migrated from my former residential area to where I am living now. When I came here, I faced difficulties to adopt myself to the local communities at my destination. My wife and children also asked me to leave the place where we migrated to and to go to another area. This is because of that the local people at our destination didn't welcome us with good approach. Rather they treated us as stranger and don't happy to share social life with us. Most of the time, my children told me that they are not interacting with the children of the local community at our destination because of the gear that they are treated as stranger. It is really so difficult to lose the culture, environment and society that you knew before. The people are supporting one another during different social events. But now that situation is already interrupted.

A discussant of FGD 3 also mentioned that they are facing different economic constraints when they displaced from their residential areas. The problem is that it is missing the traditional saving institutions like Ikub and Iddir which promotes the economic constraints of the local people. The people are contributing weekly or monthly from their income for Ikub or Iddir to use the money for the time of difficulties when they face problems. These traditional saving institutions are also interrupted as the people are displaced because of the investment. So, this is one of the problems that people are facing because of the investment.

The above statements concluded that people are facing different challenging which results in their social and economic lives. It is too difficult for the people to continue their regular life after missing their neighbors and friends with whom they were sharing social and economic lives. The distraction of those social lives and traditional self-help institutions also promotes social and economic constraints. When they missed self-help institution like "Daboo" the people will be enforced to pay for labor when it is needed. This is because of the distraction of the former social life and the people will be seen as strangers at their destination. So, unless they pay for the labor they want to use, people at their destination will not ok to support them until they will adopt themselves to the new environment.

The other problem is that the investors are releasing the solid and liquid wastes to the environment. The people are suffering with the problems of environmental hygiene when the investors are releasing the wastes to the local areas. When they are producing the coffee the investors are using different mechanisms. There are different factors which they are using to

identify coffee beans from coffee berries. It is during this process that they are releasing the solid and liquid wastes to the environment. When wastes are released from the factories environmental pollution will be happened as the wastes were mixed to streams and so on. The local communities are facing challenges because of environmental hygiene and people are suffering from different health problems related to environmental pollution.

A man of 37 years old interviewee who is experiencing the environmental pollution because of the investment expressing his ideas as follows;

I am living here around where the investment is operating. The investors do have different factories which help them for coffee production. It is here where most of them are processing the coffee production either for national or international market. To produce the coffee when the process takes place in the factories, there are different liquid and solid wastes they release to the local environment. When the wastes are releasing to the environment it pollutes different things like grasses which the cattle are feeding and suffering from death and so on. This is because of that the wastes contain different chemicals which are dangerous for health. The people are also facing difficulties especially health related problems since wastes are mixed with the streams where people are fetching water for drinking and so on.

A discussant of FGD 2 also mentioned that the local communities are suffering from lack of environmental hygiene because of the wastes which are releasing to the local environment from the factories which produces coffee. The people stated that, the wastes which are releasing from the factories are mixing with the streams where people are fetching water for drinking, washing clothes, dishes and so on. So, because of these problems the local communities are suffering from diseases which are caused by lack of sanitation. Some diseases like diarrhea, cholera and bilharzia are some among the health problems related to lack of environmental hygiene because of the investment.

Discussions

Studies show that the investment contributes in economic development of the country. The study conducted by (Saadah, Bernadette, & Mukhlis 2018). Rizvi and Nishat (2009) stated that, one way to implement the overall economic development and sustainability is by increasing investment. Investments in essence are also the first step in economic development. Investment

is an important factor for economic growth and development that the very important and sensitive thing in developing countries is Foreign Direct Investment (FDI). The result of my study also revealed that, the investment contributes for economic growth of the country through the economic benefits of the household from the investment. The households are gaining economic benefits from the investment through which the investment is source of income for the people to run their livelihood. The people are engaging in different formal and informal activities in the investment and paid by the investors. The same findings of studies also confirmed that the investment contributes in the economic growth of the country through employment creation for the people. Investment creates different job opportunities for the people to gain income from the activities they engaged in. The investors are providing different job opportunities for the person which helps the smallholder farmers as the source of income. The people cover their life expenses, educational expenses for their children and so on, with the income that they are gaining from the investment. Kartikasari (2017) concluded that investment significantly and a positive effect on employment through economic growth. The increase in employment is done by increasing investment in labor-intensive industries. In line with these studies are; Saadah, Bernadette, & Mukhlis (2018) found that the investments in micro, small and medium enterprises are significant effect on employment. This is indicator for the contributions of investment in the economic growth.

According to Vermeulen & Cotula 2010, the argument of governments in transferring or allocating land ownership to agribusiness investors is to create new opportunities for the local smallholder farmers that will lead to improvement of the living standards in African countries, but also entail risks of losing land and being marginalized to the local communities. The finding of the study confirmed that the investment contributes for both positive and negative impacts on the livelihood of the local smallholder farmers. My study also reveals the same idea about the impact of the investment on the livelihood of the local smallholder farmers in the study area.

Investment provides different opportunities for the local smallholder farmers which help the people as the means of their livelihood. Besides its positive contributions for the livelihood of the local smallholder farmers, the investment has also its own negative impacts on the livelihood of the local smallholder farmers. The study confirmed that, those farmers who are displaced from their residential area because of the investment lost their livelihood. When they are migrated

from their residential area, the people lost their fixed assets like land, agricultural plants which are useful to contribute for the people's livelihood in the study.

Another study also confirmed that the investment helps people that the rural poor community would benefit from land transfer through, among other things, creating on farm and off- farm jobs, development of rural infrastructure and construction of schools and health centres provided that negotiations are carried out transparently, existing land rights are respected, and benefits are shared between local communities and agribusiness investors (Dharmawardhana, De Zoysa & De Silva 2015).

The findings of the study also shared the same ideas that the investment contributes for social services like educational, healthcare services and so on. The local smallholder farmers are benefiting from the social services which are provided for them by the investors. The investors are providing social services for the people through constructing schools, hospital and roads for the people. These contribute for the betterment of social lives of the local smallholder farmers. Another study conducted by (Arezki, Deininger & Selod 2015), also revealed that the majority of the projects brought infrastructure development particularly in the form of health or educational facilities, better access to markets and project infrastructure that can be used by the local population.

In addition, financial support and capacity building are some of the facilities extended to the local communities although they are not significant. Even though different social services are provided for the people by the investors some social lives of the people were distracted when people are displacing from their residential areas because of the investment in the study areas. When they are displaced from their former residential areas, the people lost their social life and different social institutions are disrupted. The people also lost their identity, culture and the social life they socialized before. The people also lost their traditional self-help institutions like Iddir, Ikub, and Daboo when they are displacing from their residential areas.

Chapter Five

5. Conclusion and Recommendations

5.1 Conclusion

The coffee agricultural investment contributes for the social and economic lives of the smallholder farmers in different aspects. The relationships among the investors were one among the factors which can contribute for the social and economic impacts of investment for the smallholder. The relationship among the investors and the smallholder farmers in the study area has different forms which are smooth and complex. It is not all the investors who do have smooth relationship with the smallholder farmers in the study area. The relationship among the investors and the smallholder farmers are affected due to that the investors are enforcing the smallholder farmers to be displaced from their lands. It is because of that the land is owned by the investors for investment. The economic significances of large scale coffee agricultural investment is also very important for the smallholder farmers. Large scale agricultural investment contributes for income generating for the smallholder farmers in the study. The people are engaging in different occupations which are provided for them by the investors. These people were engaging in different occupational activities like guard work, collecting the coffee beans and so on. It is with the income which is gaining from engaging in different occupational activities that they are running their livelihood. The smallholder farmers are supporting their families with the income that they were gaining from engaging in occupational activities provided for them from the investors. The household expenses are covered by the income that the people are gaining from the investment and this shows the investment is contributing for the economic lives of the people. The other issue is about the social impacts of investment on the smallholder farmers who are displaced from their residential areas and those who are living around the investment. The investment has both positive and negative impacts on the smallholder farmers in the study area. The positive social impacts of the investment for the people are that the investors are providing different social services like education, healthcare services and so on. The investors help the local smallholder farmers to get access to safe water for drinking, road and so on. On the other hand, the negative impacts of the investment on the social life of the local smallholder farmer are the social lives and social cohesion that they people are losing. The investment enforces the people to leave their lands and displaced from their residential areas which contributes for the negative social impacts of the investment on the people.

5.2 Recommendations

Based on the results of the study, the researcher forwarded the following recommendations for further investigations and to curb the problems.

- It is better to practice bottom up policy to process the investment in which the local community will be participated and to enhance the relationship among the investors and the local smallholder farmers. The local community should be participated in the process of land transfer and it needs community participation to decide on their property. It is better to provide enough compassion which can sustain the livelihood of the local communities.
- The regional government intervention is also very important during land transfer processes without partiality. If there is no governmental intervention, the smallholder farmers may face challenges since they enforced to live their lands by the investors.
- To enhance the economic lives of the local smallholder farmers in the study, it is better to facilitate the people to engage in different job opportunities which are provided by the investors to the people. The investors should work on how to support the local people to contribute in their economic lives through paying enough compassion for people.
- It is better if the governmental officials are working on how to create a good relationship among the investors, smallholder farmers and government.
- To curb the negative impacts of the investment on the social lives of the smallholder farmers it is better to facilitate people to be resettled in the same scenario rather than dispersed when they are displacing from their residential areas for the case of investment. This helps people not to lost their social life and social institutions.

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Interview questions guide for Key Formants

Interview Guide 1

1. In what ways can you say large-scale coffee agriculture investment in your district affected your community?
2. What are the challenges you faced due to large-scale coffee investment in your district?
3. What are the social impacts your community faced due to large-scale coffee agriculture investment?
4. What are the economic impacts your community faced due to large-scale coffee agriculture investment?
4. In what ways can you say large-scale agriculture investment in your district put pressure on the environments?
5. In what ways did large-scale coffee agriculture investment in your district contribute in improving the livelihood of the community?
6. With respect to some of the negative impacts you mentioned about large-scale agriculture investment, what is your communities managing mechanize?

Interview Guide 2

For Government Officials and Experts

1. What are the role of your office in the process of land deals and the whole process of large-scale agricultural investments?
2. Are local trends in the process of large-scale agricultural investments encouraging the local communities to participate?
3. What was the role of the local communities in the process?
4. Were there community consultation sessions before and during the implementation of large-scale agricultural investments?

5. What were the roles of the local population in the proses of LSLT in Limmu kossa district?
6. What is the role of the local government in solving the problems that are occurring due to LSLT?
7. What is done by the Government to protect the environment of Limmu kossa district from large-scale agricultural investment negative effect?

Interview Guide 3 (for Investor)

1. Can you mention some of the social benefits your investments brought to local community in Limmu kossa district?
2. Can you mention some of the economic benefits your investment brought to local community in Limmu kossa district?
3. What is being done to meet the promises your company made when you received land for investments?
4. In what ways did your company help improve the livelihood of the community?
5. What is being done to meet the challenges of environmental impact caused by your investment in Limmu kossa district?

B. In-depth Interviews with Sample Household Heads

1. What are the major land uses and covers in your area?
2. What the major livelihood activities and strategies demanding such land uses and covers?
3. Which land use or/and cover is/are more important for the livelihood of your household and other members of your community?
4. What are the major contributions of such land use and covers for your household and other members of your community?
5. Are there effects on your access to land and associated resources after the arrival of investors?

6. What livelihood assets you lost after the establishment of large-scale agricultural investment companies?
7. Was there any compensation provided by the government and investors for your lost livelihood assets due to large-scale agricultural investments?
8. If yes, what was provided for u and other community members as compensation?
9. Do you think it was adequate and sufficient to recompense the livelihood assets that you lost?

C. Guides for Focus-Group Discussions (FGD)

1. What kinds of environmental impacts do you think is being caused by the large-scale coffee agricultural investment and how is it affecting the community? What are the roles of the Local, Regional and Federal Governments?
2. What kinds of social impacts do you think are the local people of limmukossa district experiencing because of LSAI in their district? What do you think are the causes of social impacts?
3. What kinds of economic impacts do you think is the community filling because of large scale agriculture investment (LSAI)? What do you think are the causes of economic impacts?
4. Level of local communities' involvement in each step of large-scale agricultural investment from its beginning to implementation.
5. Were large-scale agricultural investments based on local consensus between all stakeholders, including local communities?
6. The major contributions of land and associated resources for the local communities.
7. Effects of the large-scale coffee agricultural investments on local communities' access to land and associated resources and the socio-economic, cultural and spiritual implications to the local communities.
8. The nature of relationships between local communities and government before and after the arrival of private investors.

9. What were the local community's roles in the process of LSAI deals in Limmu kossa district?

D. Guides for governmental officials

Introduction

The researcher is undertaking this research to investigate The Impact of Large-Scale Agricultural Investment on the Livelihoods of Local Communities: The Case of Coffee Plantation in Limmu Kossa District, Oromia. In this study, the researcher would like to know, in your opinion, what your experience is regarding the effects of large-scale agricultural investments on your community. The researcher would like first to inform you that participation in the study must be based on your free will. Second, it is not obligatory to answer all questions. Third, your autonomy to refrain yourself from the study at any point in time and to ask any question is fully respected. Finally, the researcher would like to guarantee you that the confidentiality and anonymity is kept for whatever information you would provide.

I would like to thank you in advance for your kind cooperation.

NB: tick (X) in the appropriate box to indicate your answer.

Section A: Personal Data

1. Gender:

Male

Female

2. Age bracket:

18-30 years

40-50 years

30- 40 years

Above 50 years

3. Level of education

Certificate	<input type="checkbox"/>	Degree	<input type="checkbox"/>
Diploma	<input type="checkbox"/>	Masters	<input type="checkbox"/>

4. Work experience with the organization

1-2 years	<input type="checkbox"/>
2-5 years	<input type="checkbox"/>
5-10 years	<input type="checkbox"/>

		5	4	3	2	1
No.	Question	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
1	Large-scale coffee agriculture investment in your district affected your community livelihood					
2	Large-scale coffee agriculture investment in your district contributes in improving the livelihood of the community					
3	The role of the local communities in the process of large-scale agricultural investment is large					
4	The process of large-scale agricultural investments encouraging the local communities to participate					
5	The local population in the proses of large scale land transfer parts pet in Limmu kossa district					
6	The social benefits investments brought to local community in Limmu kossa district is very high					
7	The economic benefits investment brought to local community in Limmu kossa district is					

	great					
8	After the establishment of large-scale agricultural investment local community lost livelihood resources					
9	The relationships among local communities, government and private investors are very good					

Table 4.2.4: Demographic information of in-depth interviewees

Code	Sex	Age	Marital status	Educational Status	Religion	Occupation
IDI-1	M	54	Married	Adult education	Muslim	Farmer
IDI-2	M	32	Married	Grade 8	Muslim	Investor
IDI-3	F	33	Married	Grade 4	Protestant	Farmer
IDI-4	F	45	Married	Grade 2	Muslim	Merchant
IDI-5	F	55	Married	Adult education	Muslim	Farmer
IDI-6	M	53	Married	Grade 2	Muslim	Farmer
IDI-7	F	35	Single	Grade 10	Muslim	Investor
IDI-8	F	40	Married	Diploma	Muslim	Gov't employee
IDI-9	M	55	Married	Grade 4	Muslim	Farmer
IDI-10	M	50	Married	Degree	Orthodox	Gov't employee

Source: Researcher's Interviewee 2021

Demographic Information of FGD-1

Code	Sex	Age	Marital status	Educational status	Religion	Occupational Background
FGD1-P 1	M	37	Married	Grade 2	Muslim	Farmer
FGD1-P2	M	32	Single	Grade 9	Muslim	Farmer
FGD1-P3	M	31	Married	Grade 5	Muslim	Guard
FGD1-P4	M	25	Single	Grade 4	Protestant	Farmer
FGD1-P5	M	30	Married	Grade 5	Muslim	Gov't employee
FGD1-P6	M	35	Married	Adult education	Orthodox	Merchant
FGD1-P7	M	37	Married	Grade 8	Muslim	Community Leader
FGD1- P8	M	38	Divorced	Grade 8	Muslim	Farmers

Source: Researcher's FGD 2021

Table 4.2.6: Demographic Information of FGD-2

Code	Sex	Age	Marital status	Educational status	Religion	Occupational Background
FGD1-P 1	F	37	Married	Degree	Muslim	Gov't employee
FGD1-P2	F	32	Married	Grade 9	Muslim	Farmer
FGD1-P3	F	35	Married	Grade 5	Muslim	Guard
FGD1-P4	M	26	Single	Degree	Protestant	Gov't employee

FGD1-P5	M	30	Married	Grade 3	Muslim	Farmer
FGD1-P6	F	28	Single	Diploma	Orthodox	Merchant
FGD1-P7	F	37	Married	Grade 5	Muslim	Community Leader
FGD1- P8	F	30	Single	Grade 6	Muslim	Farmers

Source: Researcher's FGD 2021

Demographic Information of FGD-3

Code	Sex	Age	Marital status	Educational status	Religion	Occupational Background
FGD1-P 1	M	60	Married	Grade 10	Muslim	Community leader
FGD1-P2	M	35	Married	Grade 5	Protestant	Guard
FGD1-P3	M	37	Married	Grade 9	Muslim	Farmer
FGD1-P4	M	32	Single	Grade 8	Muslim	Farmer
FGD1-P5	F	30	Married	Grade 3	Muslim	Farmer
FGD1-P6	F	38	Married	Diploma	Orthodox	Merchant
FGD1-P7	M	45	Married	Grade 5	Protestant	Farmer
FGD1- P8	M	54	Married	Grade 6	Muslim	Farmers

Source: Researcher's FGD 2021