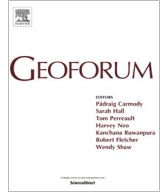




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# Landing capital and assembling ‘investable land’ in the extractive and agricultural sectors

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## ABSTRACT

Over the last decade, shifting strategies of capital accumulation have deepened the integration of land and associated primary commodities into circuits of investment. More than merely an economic revaluation of land, such integration involves an iterative rearrangement of the social and natural processes determining land's material and symbolic qualities. Highlighting these shifts through a comparative study of investment processes for large-scale agricultural and extractive projects, we posit investment processes as assemblages proceeding in the context of different ontologies, valuations, and uses of land, which coalesce and compete with one other in complex ways, producing new spaces and subjectivities. Such assembling, we suggest, notably involves a discursive component involving the narration of the need for investment, an institutional component reforming regulatory arrangements, and an operational component enrolling labour, infrastructure, and ancillary resources associated with agricultural and extractive production. After examining each of these components in turn, we conclude with a discussion of tensions and contradictions inherent in ‘opening’ lands for investment and the business of harnessing agricultural and extractive resources.

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## 1. Introduction

The first decade of the 21st century saw unprecedented levels of investment into primary commodities and the land-based interests underlying them. High commodity prices, including a quick rebound following the financial crisis, bolstered ideas of a ‘supercycle’ or even a ‘new normal’ for primary commodities – one characterized by unfettered demand growth, rising production costs, and sustained high prices (Radetzki, 2013; Rosegrant et al., 2013; Canuto, 2014). This boom translated in ‘a rush on land’, with a wide array of resource development projects and financial vehicles seeking to capture land and natural resources as ‘hard assets’ offering a profitable frontier and safe haven amidst financial market turbulence (Cotula, 2012). The subsequent collapse of commodity prices in the intervening years came as a shock to many investors. Evidenced most markedly by the precipitous plunge of oil prices in 2014, the downturn had already affected most other commodities by 2011 due to a combination of rising supply, growth deceleration in Asia, and expectations of US economic recovery and rising interest rates (Tokic, 2015). By the end of 2015, the commodity bust had

reduced investments by about half since their peak in 2012, and wiped out an estimated \$1.5 trillion in extractive companies market capitalization (Milbourne, 2016; SNL, 2016a, 2016b). In agriculture, promises of a ‘new era’ of consistently elevated commodity prices had similarly failed to materialize, investments in primary agriculture were faltering, and land prices in key producing regions were stagnating or declining (Newman, 2014; Visser, 2016). Whereas high development costs, resistance by local communities and infrastructure bottlenecks challenged investments during the boom, attracting capital to land-based commodity production projects seemed to be the greatest challenge during what some commodity analysts described as a likely ‘super-slump’ (McGugan and Youghlai, 2015).

In this paper, we seek to first provide a brief overview of current academic debates around investment processes into land-based primary commodity projects. Initially focused on foreign-driven ‘land grab’ narratives, these debates were progressively nuanced by detailed field-based accounts demonstrating the diversity of processes and outcomes involved (see Pedersen and Buur, 2016), including the role of states and their interplay with corporations and land users in shaping and enforcing contingent and context-specific investment markets (Wolford et al., 2013; Ouma, 2016; see also Lavers and Boamah, 2016). Our second and main goal is to more specifically contribute to debates over ‘landing

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investments' through a comparison of large-scale agricultural and extractive investment projects. We undertake such comparison for three purposes. First, the literature on land-based investments has been largely dominated by studies of the agricultural sector; we thus seek to focus on the extractive sectors and compare the specificities of these sectors with those of the better-studied agricultural sector. Second, the comparison may help to better identify some of the tensions and contradictions of investment processes, by broadening consideration of the range of contexts in which they take place. Third, such a comparison is both pertinent and timely given the many parallels and interdependencies between the agricultural and extractive sectors – in terms of the way these sectors are theorized, in their practical operations, and in their implications for resource-dependent countries and rural communities (Bebbington et al., 2008; Bridge, 2009; Peluso and Lund, 2011). As we discuss further below, there are some suggestions that the two sectors are becoming ever more tightly interlinked.

The global agriculture and extractives sectors are indeed characterized by growing spatial overlaps and interpenetration, thereby exacerbating the tensions between the two as distinct but interconnected paths of economic development (Slack, 2013; Cuba et al., 2014). Yet, these two sectors are also very different, with distinct ownership, access, and utilization patterns (Bridge, 2002; Bury, 2005), as well as socio-environmental impacts (Hilson, 2002a, 2002b; Greer et al., 2011; Torrez, 2011). Modes of exclusion regulating ownership, restricting access and shaping patterns of utilization are generally considered to be more easily implementable for extractive projects than for agricultural ones, due to the existence of 'choke points' including more limited areas to control, more complex infrastructure to deploy, and harder to access markets (Li, 2014). These criteria, however, vary widely among extractive sectors. The gold sector, for example, frequently sees violent forms of exclusion and the ostracization of artisanal mining, yet such practices remain widespread given their importance for rural livelihoods, the vast areas with alluvial gold deposits, and the ease of access to both means of production and markets (Tschakert, 2009). Whereas in both sectors land can be considered a 'real estate' storing value and a 'production asset' generating commodities, agriculture involves *renewable* commodities, in contrast to mineral extraction (Fairbairn, 2014b). Although the techno-geological complexes involved in extractive sectors create significant risks as well as difficult to calculate outcomes (indeed some are literally 'explosive', see Watts, 2015), extractive resources are often considered 'dormant', in contrast with the liveliness of agricultural products that actively invoke biological cycles of growth, are weather and soil-dependent, and are vulnerable to pest and disease. This in turn makes farming a highly unpredictable affair even at the production stage (see Ouma, 2016). Finally, agriculture will value topsoil and, in selective manners, integrate local communities as crucial project inputs, but these are generally considered as costs and liabilities by extractive companies, notably with regard to community relocation and compensation, as well as environmental impacts and reclamation (Watts, 2005).

Agriculture and the extractives sector may not only differentially integrate or displace rural populations, they also frequently compete over access to key input resources, in particular water (Slack, 2013; IMDC, 2014; Oxfam America, 2014). While agriculture is increasingly reliant on extractive activity for the provision of agricultural nutrients and energy inputs, extractive activities may also reduce the productivity of adjacent agricultural land, notably through their environmental impacts (IMDC, 2014). Moreover, recent investment streams have forged still closer ties between the agriculture and extractives sectors, facilitated by the sectors' joint inclusion in certain financial vehicles and the redeployment of capital accumulated in one sector in the other. Indeed,

some analysts suggest that the boom-bust cyclicity of the extractive sector is increasingly replicated in agriculture, in part due to the increasing production of biofuels as an interconnected resource (Carter et al., 2011; De Gorter et al., 2013). As discussed below, this tight interlinking between the extractive and agricultural sectors can in part be tied to underlying processes of financialization affecting both sectors, while distinctions between and within the sectors notably reflect the particular "modalities, processes and practices of financial economization that have reworked organizations . . . , economic relations, labour and nature in particular geographical contexts and at particular historical conjunctures" (Ouma, 2016: 91).

To further explore these distinctions and explain the active processes through which investment capital comes to be inscribed in land and commodity production – as well the tensions and instabilities that may scupper the accumulative ambitions of investors and asset managers – we use the concept of assemblage. Analytically, the concept of assemblage generally consists of a set of interactions between heterogeneous components, including diverse human and institutional actors, fields of knowledge and representation, technologies and inscription devices, and material landscapes and geological formations (Anderson et al., 2012; Swanton, 2013). The concept can thus highlight the specific spatialities, temporalities and materialities of investment processes. Concurrently, the concept of assemblage allows for attention to context, contingency, and alternative possibilities, thereby helping to avoid the naturalization of sociospatial forms and processes while accounting for "the specific ways in which orders emerge and endure across differences and amid transformations" (Anderson et al., 2012: 176). As such, assemblage contrasts with the greater stability and control-oriented concept of the apparatus, or *dispositif* (Foucault, 1980), and gives more attention to the "hard work required to draw heterogeneous elements together, forge connections between them and sustain these connections in the face of tension" (Li, 2007: 264).<sup>1</sup>

Among the first to use the term assemblage for land-based primary commodity investment projects, Bridge (2003: 61) conceptualises direct investment in mining ventures as "a political-economic process involving the assemblage of a package of rights (to land, water, pollution permits, etc.), [which] can be an effective vehicle for tracing through the impacts of industrial restructuring on local environments". Using the term assemblage for his critique of the naturalization of narratives about 'global land grab' processes, Dwyer (2011: 4) argues that "transnational land deals are not merely about accessing 'available' land, but about changing the imbrication between land, labour and productivity all together as a single assemblage". Sassen (2013: 52), in turn, takes a more structural perspective by focusing her analysis on the "type of governance embedded in larger structural processes shaping our global modernity", posits that the resulting assemblage of practices, norms, and shifting jurisdictions may have greater effects on investments processes than the "explicit governance instruments for regulating land acquisitions". In contrast, Li (2014: 589) takes a more practice-oriented perspective, drawing attention to the diversity (and agentic qualities) of assemblage components, and understanding the "resourceness" of land for global investment as an "assemblage of materialities, relations, technologies and discourses that have to be pulled together and made to align". In his detailed account of fruit exports from Ghana, Ouma (2015) similarly stresses the practical dimensions involved in assembling primary commodity production markets. The term assemblage has thus been used with different meanings across some of the

<sup>1</sup> The original French term of *agencement* better captures such attention to agency (Deleuze and Guattari, 1988; Muniesa et al., 2007; Ouma, 2015).

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