

Summary

This dissertation offers a comprehensive examination of the welfare implications of large-scale land acquisitions (LSLAs). By applying both quantitative and qualitative methods, including advanced quasi-experimental and experimental designs, it seeks to isolate and quantify the socio-economic, mental health and conflict impacts of large-scale oil palm expansion and other land-based investments.

The first chapters examine how LSLAs affect local livelihoods. Drawing on empirical evidence from Liberia, the analysis begins with an evaluation of two oil palm plantations. Although employment on these plantations leads to modest wage increases, it does not significantly improve household expenditure, asset ownership, or food security, and instead marginally exacerbates inequality. This suggests that, without more inclusive investment models, LSLAs are unlikely to foster broad-based rural development.

Turning to Indonesia, the analysis continues with a quasi-experimental assessment of newer oil palm developments in West Kalimantan. Unlike earlier phases of plantation expansion in the country, these newer investments lead to no change or even a decline in welfare outcomes for rural households. A shift from traditional agriculture to wage labor and smallholder oil palm production has not yielded economic improvements. Juxtaposed with the high environmental costs resulting from deforestation, the non-existent to negative economic outcomes challenges the narrative of LSLAs as engines of rural growth.

Beyond material well-being, the research also explores mental health impacts. A lab-in-the-field experiment in West Kalimantan reveals that LSLAs and accompanying deforestation significantly deteriorate the mental health of indigenous communities. Crucially, this effect is primarily driven by spiritual-cultural displacement rather than more commonly cited mechanisms such as discrimination or economic disadvantage. These findings highlight the deeply rooted, non-material consequences of land transformations.

The second part of the dissertation shifts to the broader social consequences of LSLAs, particularly their role in generating conflict. Based on the concept of relative deprivation the paper develops a conceptual framework, synthesizes the literature and presents case study evidence. This analysis finds that deprivation, especially when linked to opaque investment processes, can fuel grievances that escalate into violent mobilization. The paper concludes with policy recommendations highlighting the importance of inclusive consultations, transparent procedures, and accessible grievance mechanisms in mitigating tensions.

Finally, these qualitative findings are complemented by a novel quantitative study that investigates the causal relationship between LSLAs and social conflict across sub-Saharan Africa using a spatial design and staggered Difference-in-Differences methods. The study reveals that LSLAs almost triple local conflict incidence, driven by riots and protests. Conflict risk is heightened for investments from low-income countries and for projects involving perennial crops. These findings not only provide robust evidence of the conflict potential associated with LSLAs but also underscore the importance of investor behavior and project design in shaping local outcomes. Overall, the chapters highlight the need for a more cautious and inclusive approach to land investment that accounts for both visible and hidden costs.