

# The Social and Economic Impacts of Green Land Investment in Rural Scotland

This research aimed to build understanding of the range of socio-economic impacts relating to new forms of green land investment that are occurring in rural Scotland.

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## What is the problem we are trying to solve?

This research was commissioned by the Scottish Government to address the lack of evidence and understanding regarding the socio-economic impacts relating to new forms of green land investment that are occurring in rural Scotland. The research questions included:

- What are the **different types** of green land investment activities and the differing **motivations** of investor-owners?
- What are the **social and economic impacts** of green land investment?
- How does it affect **different groups** within communities, e.g. those in local employment, local businesses owners, and those working on the land?
- What are the **potential benefits and/or negative impacts** of these types of activities?
- To what extent do private-sector interests support or conflict with the **needs of rural communities** and their interests?
- What are the **wider and long-term implications of changes** in rural land use and ownership, as a result of green investment, for rural communities?

## What are green land investments?

*The purchase of or investment in (directly through shareholding or changing focus of owner investment, or indirectly through intermediary companies) land to undertake nature restoration, regenerative land management or approaches that maintain or enhance natural capital, and/or sequester carbon emissions, differentiated from traditional ownership by the green motivations as a driver rather than a secondary outcome.*

## What did we do?



**A literature and evidence review** to verify key concepts and definitions such as 'green land investment'



Selection of **six critical case study landholdings** and associated rural communities



**54 qualitative** in-depth, semi-structured individual or small group **interviews** with community members and investor-owners or their representatives



**6 community-based workshops** with 96 participants and participation in one online meeting

# What did we learn?

## Understanding green land investments

This research shows that there is a diversity of green land investor **models**, including individual ownership, ownership by corporations, and corporations providing land management services to private landowners/investors.

**Activities** include afforestation, rewilding or ecological restoration, peatland restoration, and renewable energy.



Photo by Scotland on Unsplash

The investor-owner **motivations** fall along a spectrum rather than into discrete categories. Many also have multiple motivations and activities.

Investor-owners were motivated by:



Reputational  
impacts



Financial  
returns



Operational  
impacts



Environmental and/or  
social impacts



Personal  
drivers

Community members and investor-owners perceived the priority of environmental and financial motivations differently, with community members assuming financial returns were most important. In some case studies, community members felt uninformed about landowner goals.

## Potential, actual, and perceived benefits and/or negative impacts

### Social and economic benefits included:

- increased accessibility, transparency and community engagement with estate activities;
- investor-owner support for education and training, as well as community housing;
- financial and in-kind support for local community initiatives;
- and increased tourism activity and employment.

### Negative impacts included:

- loss of employment, outmigration and impacts on services (e.g. schools);
- decrease of housing availability due to conversion and increased market prices;
- threats to recreational access and activities' aesthetic impact on landscapes;
- lack of community involvement in land use decision-making;
- and the potential risks of changes in land use and management (e.g., wildfire).

Wider social and economic benefits were dependent on the motivations, financial vehicle, economic power, and flexibility of the green land investor-owner; some were more limited in how they could contribute than others. Community members also emphasised that the impact of green land investor-ownership is dependent on individual owners' (or investors') interests and 'moral values'.

## *Understanding the influence of green land investment activities on different rural communities of interest*

Communities of interest, including local businesses, estate employees, gamekeepers, farmers and recreational land users are significantly impacted, positively and negatively, by green land investment activities.



Green activities mean **traditional rural jobs are shifting**. Community members were not clear where and how many new employment opportunities had been realised. Some estate employees have been made redundant or reassigned. Agricultural production and numbers of tenants have declined across the case studies. **Farmers and estate employees are the most affected by land use changes.**

## *Experiences of, opportunities, and barriers to community-landowner engagement*

The type and extent of community engagement varied across case studies, with contrasting community perceptions and landowner attitudes. Our findings demonstrate a spectrum of community-landowner engagement which ranges from perceived good practice to perceived poor practice.

**Good practice** includes **frequent engagement** with communities by green land investor-owners, **demonstrable responses** to community input by landowners, and the building or existence of personal relationships with stakeholders in the community. Poor practice was generally defined by a **lack of community engagement** or consultation. **Barriers included** lack of publicity and accessibility of engagement opportunities and reported instances of community members feeling vulnerable in sharing their views openly. Insufficient community engagement can reinforce **power imbalances** between the community and landowner, and result in community members feeling that they **lack agency**.



Positive and negative examples given by participants resulted in suggestions for improvement. These include: greater **transparency of land use and land management plans**; **better communication**; and an **external party to facilitate**, arbitrate, and/or keep investor-owners accountable.





## Hopes and fears for the future of rural Scotland

Community members hoped that green land investment would support sustainable, thriving communities, increase biodiversity, and respond to the climate emergency. In a positive future, recreational access would be maintained and enhanced. Community engagement would increase and include working with landowners.

Community members feared investor-owners' financial uncertainty and lack of management experience. Uncertainty about future management plans created social anxiety. Future employment options and social benefits may be limited.



### What did we conclude?

There is a **diversity of green land investor-owner activities and motivations** influencing rural Scotland. Whilst community members largely perceive motivations as financial more than 'green', owner-investors emphasise their intentions to provide social and environmental benefit.

The social and economic benefits and negative impacts of investment are dependent on the case study's investor-owner. They differ across the case studies **and investment may impact positively or negatively on the same issues**, for example, recreational access (increasing or decreasing) or employment (job provision or loss). **Farmers and estate employees are the most affected.**

A **critical negative impact** in the case studies was the **perceived lack of community involvement** in land-use decision-making. Participants suggested methods for positive community engagement.

**Thriving rural communities** are seen as a potential future if investor-owner goals are achieved but failure would have knock-on impacts for community sustainability and the local environment.



### What do we recommend?

**Policy makers:** consider **greater regulation of the natural capital market**. Ensure that a proportion of **green land investment profits are shared** with affected communities of place (e.g. establishing minimum benefit payments from windfarm developers). Consider how best to **support farming and gamekeeping communities in the just transition**. Commission **longitudinal social research** to understand long-term impacts of green land investment in rural Scotland.

**Green land investors/owners:** ensure **transparency and accountability** in land management plans and ownership objectives and share these with communities. Ensure changes **consider the long-term consequences** to rural community sustainability and the just transition. **Include community voices** on decision-making boards or management committees.

**Rural communities:** seek opportunities and be supported to **engage and work with landowners**. Support landowners to **overcome perceived barriers** to communication and representation.



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This is a visual summary of the following report: 'The Social and Economic Impacts of Green Land Investment in Rural Scotland' by A. McKee, N. Beingessner, A. Pinker, A. Marshall, M. Currie, and J. Hopkins (2023)

