

2011 Lecture Series: 'Agriculture, Rural Employment, and Inclusive Growth'

Lecture Report:

Camilla Toulmin and Philip Woodhouse – Whose Food-Whose Farm?

Lecture on the HLPE 'Land tenure and international investment in agriculture' report

On Tuesday October 4, 2011, **Camilla Toulmin**, Director of the International Institute for Environment & Development (IIED) delivered the third lecture in the 2011 Lecture Series 'Agriculture, Rural Employment, and Inclusive Growth' in which she focused on the findings of the recent CFS- HLPE report on land tenure and large scale international investments in agriculture. **Philip Woodhouse**, Senior Lecturer in Environment and Rural Development in the School of Environment and Development at the University of Manchester, offered his remarks on the report. This was followed by discussion with the audience, chaired by **Max Spoor**, Professor of Development Studies at the International Institute of Social Studies.

Whose Food-Whose Farm?



Investments in agricultural land plays a vital role in improving food security, development and poverty reduction in many parts of the world. In developing countries an area the size of Western Europe has been sold or leased, mostly to international investors. However, the implications of large-scale international investment in land for food security in host countries demonstrate many damaging impacts on local people, in terms of their livelihoods, employment, and environment. Currently, one billion people in middle and low income countries are short of food and another billion suffer from various forms of

malnutrition. Land has now become a scarcer and more valuable asset that is of interest not only to domestic elites, but also to regional and new global players. Large-scale land investors include multinational companies engaged in various investments including bio-fuels and extractive industries, foreign governments seeking secured food supply, commercial farmers expanding into neighboring countries, and financial institutions wanting to broaden their asset portfolio. These investments are also a result of environmental pressures such as water shortages and drought, and environmental policy, including conservation interest for wildlife and landscape.

The increasing value of land however, does not benefit farmers. Many countries have deficient systems for recognizing and administering land tenure and rights, and government claim ownership of land, water and other natural resources. They are central in encouraging inbound investment, making land available, and negotiating with investors as well as enforcing contractual agreements. However, in many cases, land is not formally entitled to anyone. At the same time, much is unclear about agreements on local procurement, processing of products, and payment of taxes. Consequently, It is very difficult for government agencies, parliament, local people or media to hold investors accountable for their actions. Millions of farmers are vulnerable to disposition, and without primary customer claims, women and indigenous peoples are particularly insecure.

According to Toulmin, the distinct asymmetry in power wielded by land users, occupiers, governments and large commercial interests, must be tackled in order to increase food security. This could be done by more effective enforcement of existing policy and legislation at national and local levels.

Six Recommendations in order to increase food security:

Given the fact that food security is of paramount importance, Toulmin proposes a series of recommendations.

1. *Governments in countries hosting investment* should open up the debate concerning pathways for agricultural development and land use planning. Small-scale farmers, indigenous peoples, landless labourers, rural women and others must be central to it. Given the major asymmetries in expertise that often characterize the negotiation of deals for agricultural investments, government must also have clear, transparent equitable land policies that are accessible, allowing for transparent transfers, equitable access, manageable systems of registration and deeds as well as open transparent heritage rights. Community rights registration is vital to ensure protection of livelihoods and associated food security.

2. *Corporate investors and business enterprises* have a legal responsibility to strengthen and respect local rights over land and natural resources. They should consult with local community groups, ensuring Free prior and informed consent (FPIC)-principles, and follow industry guidelines on environmental and social impacts.

3. *Donor governments* should align their bilateral and multilateral initiatives to promote agricultural investment more effectively to achieve positive outcomes for local farmers. International support is needed to fund agricultural research and development, emphasizing agro-ecological approaches.

4. *Investors' home governments* have an obligation to make sure that their companies operate according to the highest standards in relation to human rights, and environmental management. They should establish mechanisms for redress, so that companies or investors can be held accountable.

5. *Civil society actors and farmer groups* can make a difference in the processes of land acquisition, and its implications for millions of people. These groups should be supported and linked to other potential sources of political pressures. Also, the international sharing of information on land grabbing between researchers, NGOs and others, should be continued.

6. *The UN Committee on Food Security* should demand from governments to report annually on their alignment of investment and food security. It should advise governments to recommend bio-fuel targets and abolish subsidies. It should encourage governments to continue to support regional processes such as the African Union's Land Policy Initiative.

Toulmin concludes by referring to recent [reports](#) by her IIED-colleague Lorenzo Cotula.

A Critical Response to the HPLE on Food Security and Nutrition Report

Philip Woodhouse emphasised the importance of transparency of contracts, and good corporate practices. Woodhouse also added the issue of tax jurisdictions of investors: many companies are located in tax havens, making them unaccountable in either home countries nor host countries.

Woodhouse argued that the report should have put more emphasis on the politics of national governments. The lack of adequate recognition of the rights and provision of support for rural people, is often due to weakness of governance. Existing resources are used inefficiently, and this is very hard to improve. Governments believe agricultural growth comes from agricultural modernization, and thus capital investment. But, he argues, a different model is required, and more research is needed on how such a model should look like. In this respect it is important to look at productivity of labour rather than productivity per unit area, when considering the benefits of small-scale farming.

Woodhouse furthermore argued that the diversity of African rural society should be considered: different groups of people have different stakes in small holder production, and different opportunity costs associated with a switch to an alternative production-method. Do we really understand the local politics of rights? When we are talking about organizing local people to increase their voice, this notion of a differentiated rural society needs to be very well understood.

Finally, Woodhouse stated that the fundamental question really is: what are lands rights for?

What do you do with land when you have rights? What is the meaning of landownership in the hands of African communities in a world in which they are continually having to negotiate with capital investment? Woodhouse argued that this raises the question about traditional forms of accountability within property rights in African society, which goes a lot further than the land grab debate.



Discussion with the Audience

The first question from the audience pertained to potential lessons that could be learned from history. This land acquisition is not a new process so we should be able to learn from the past and how governments dealt with these issues and its implications. Woodhouse agreed that history is important in understanding how African rural societies have come to be the way they are. In many parts of Sub-Saharan Africa people have moved, have colonized new areas and migrated to areas with better opportunities. We should not assume that, simply because people look as if they are living in relatively primitive conditions, it is an unchanging situation. In order to understand the effects of new forms of investments in a particular area, it is really important to understand history.

Another member of the audience asked a question about the role of multilateral organizations. Are we talking primarily about the World bank and its tendency to be the lead donor in agriculture projects or are there other important multilaterals? What are multilaterals doing wrong on the land issue and what would Toulmin recommend these multilaterals? In the report Toulmin was thinking particularly of the International Finance Corporations (IFCs) and how they try and promote investments. She answered that despite significant improvements in IFC standards

around investment, there are still serious worries about the way in which investments are being pushed in a whole number of countries without paying sufficient attention to the kind of investments that are needed, as well as the assurance that those investors properly consult the communities and arrange for compensation for those who lose out from that investment. Nevertheless, Toulmin recommended to not focus too much on the barriers, but to look forward.

Another member of the audience pointed out that the report did not extensively take up the



issue of land reforms, and wondered if the reason would be that in fact, land reforms are in some way contradictory to land rights. According to Toulmin, land reforms have been carried out inadequately, with very low impact and often devastating effects, including the loss of land altogether and damaging social structures.

Finally, someone questioned if it was really necessary to write the report, since the recommendations are similar to those in so many previous reports, while we still have one billion people suffering from chronic hunger. Toulmin replied she was not sure whether this report is worth anything more than other papers, since everyone knows what needs to be done. However, she emphasized that we need a way to push the pattern of interest in a better direction. At least there is international recognition when you pay more attention to poor people in your society, and you make sure a few more poor people get access to food and safety. Continuation of research and publishing such reports will hopefully, overtime, push actors in the right direction.



This Lecture Series is part of 'Food First', a program supported by NCDO aiming to put the food and agriculture-issue at the heart of the political debate. For more information and other activities, visit:
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