

OXFAM  
RESEARCH  
REPORT

# Harnessing Agriculture for Development

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## Introduction

*Harnessing Agriculture for Development* is the result of a process of research and consultation conducted within Oxfam International from the end of 2007 to mid 2008, before the full impact of the current financial crisis was felt across the developing world. It is being published at a time when we face a particularly uncertain and unstable future, with heightened perceptions of risk, but when we also have a unique opportunity to generate the kinds of policy change required to achieve a new global balance.

For those of us who work to reduce poverty and inequality, it is imperative to support the most vulnerable people, those worst hit by the current crisis. Between 2007 and 2008, the food crisis increased the number of hungry people by 119 million, meaning that a total of more than one billion people around the world are living in hunger in 2009. The crisis, which originated with the increase in food prices in late 2007 and the first half of 2008, has exposed the structural weaknesses of agricultural, trade and social protection policies. As a result of the food price crisis, the problem of food security has become more relevant and has put agriculture back onto the development agenda after years of neglect. In this sense, it is essential to see the present crisis as a moment of opportunity to move to a more just model of economic growth and development. At the same time, it is an opportunity to shine a light on practices such as agriculture “outsourcing” that are of increasing concern for food security in poor countries that are nevertheless land-rich. Land-grabbing by countries and companies to increase food security in one region or country at the potential expense of another, while not new, has received increased attention as a response to the food price crisis. This highlights the importance of land rights and sustainable access to land for reducing poverty and increasing food security.

The purpose of this report is to contribute to the debate on agriculture, firstly with Oxfam’s partners on the ground on whose experience it is based, as well as through its publication and subsequent discussion with other relevant actors in the field of agricultural policy. The report reflects Oxfam’s emphasis on the role of sustainable livelihoods in rural areas, in particular through farming, in reducing poverty and inequality. It analyses the main challenges we face in the 21<sup>st</sup> century, identifies which actors have the power to promote the necessary policy changes, and sets out the elements of a policy agenda to strengthen the agricultural sector that includes millions of small farmers around the world.

Both the content of this report and the process of consultation were agreed with Oxfam teams and counterparts in 10 countries involved in developing national campaigns to raise awareness and mobilize to demand agricultural reform. The first draft formed the basis for consultations with partners in 10 countries (Burkina Faso – regional consultation in West Africa, United States, Philippines, Guatemala, Honduras, India, Indonesia, Mexico and Tanzania) and sought inputs from many others, which served to test the report’s findings against national realities and allowed us to incorporate those national experiences in the final version, improving the paper. In several cases, the consultations also became the spark for new campaigns and alliances. As a result, this document reflects most of the policy change priorities identified in these countries. The development and consultation process has also allowed us to identify common challenges in different regions, as well as those areas where an Oxfam International campaign could add value. Each of the areas analysed in the report has great potential for combined programme and campaign work and provides strong linkages with trade and climate change issues.

It is worth mentioning some of the issues that emerged during the consultations. Participants stressed that for many communities, the role of agriculture goes beyond the economic meaning of ‘livelihood’ to include their whole way of life, something

particularly important for many indigenous and pastoralist communities. In addition, the lack of opportunities in rural communities was seen as provoking mass migration to the cities or abroad. Although very relevant, we decided not to deal with this issue as it would imply a massive extension of the ambit of the study.

The importance of trade rules to the current state of agriculture and its future potential was another strong message from the consultations. While we agree that trade rules play an important role in agriculture, particularly in light of Oxfam's Make Trade Fair campaign that focused in the impact of trade rules in agriculture on development, we decided not to include a separate chapter on the issue – both to avoid getting into excessive levels of technical detail that might detract from the core message on the role and challenges facing agriculture, and because of Oxfam's array of publications on the theme elsewhere.

If we were writing this report today, and not in 2007-8, we would probably root it more squarely in the context of crisis and change. We would take up the lessons learned from the food price crisis of 2008, in the context of a national and international system that recognizes agriculture as central to development, but which spawned a financial crisis that seriously threatens the ability of poor countries to promote their farm sectors after decades of neglect. Nevertheless, we publish this report because it deals with the underlying structural problems that increase the vulnerability of countries and their citizens, factors that existed long before the crisis and that still remain in place.

Teresa Caverio  
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## Executive Summary

In a world in which millions are 'voting with their feet' and moving to the cities, while environmental degradation and rising energy prices pose new threats to models of agricultural production that have held sway over the last generation, what does the future hold for the poorest people who depend on agriculture for their livelihood and for the environment that sustains us? The subject is controversial. As Oxfam, both the allies we work with and the institutions we target espouse deeply-held visions about agriculture's role in our society, whether as a process that binds us to the natural world and ensures self-sufficiency for the poorest communities, or as an economic sector that can drive industrialisation for the poorest countries.

In addition, of course, a major lesson of this paper is that context matters. And the contexts on which this paper is based – those in which Oxfam supports campaigning on rural livelihoods – are incredibly diverse, encompassing agricultural labourers in the United States to maize farmers in Central America to fisher-folk in East Asia. Where possible, the paper attempts to draw on broad typologies and principles that can provide useful global frameworks within which to situate particular regional and national-level analyses.

Part 1 of the paper tackles the question 'Why Agriculture?' The case for 'Why Rural?' is much clearer cut: global poverty will continue to be located in rural areas for at least another generation, although with significant variation by region. However, understanding the role that *agriculture* plays in the livelihoods of these poor communities, and its potential as a sector to reduce poverty levels, is more complex. Agriculture is certainly an important part of the mix of activities that sustain household economies, but has to be viewed in the context of increased multi-activity by poor households, deepening urban-rural linkages and heightened national and international out-migration.

At the macro-economic level, both history and theory demonstrate the importance of agriculture. Investing in agriculture can have an enormous poverty reduction 'pay off', because of agriculture's importance to food security, but also because of economic dependence on the sector in the poorest countries, its labour-intensity and the high proportion of budgets spent by poor rural households on foodstuffs. Such characteristics mean that investment in agriculture more than any other sector can provide the 'spark' that ignites a growth process, and this has been the case in most industrialisation episodes.

This growth 'spark' argument applies most strongly to particular national or sub-national contexts, most notably in sub-Saharan Africa, and agricultural growth is only likely to significantly reduce poverty under certain conditions (for example when assets are equally distributed). The paper therefore looks at the full range of countries in which Oxfam is proposing to undertake national campaigning, and suggests different rationales for supporting agriculture in different country conditions. In countries where agriculture contributes little to growth, the sector employs high shares of the population, and many of these countries face a rising urban-rural gap in incomes. Even in highly urbanised contexts, agriculture accounts for a surprisingly high share of employment, rural poverty is still often more severe than urban poverty and the most marginalised groups have yet to see a fair distribution of gains from the agriculture and food industry.

Oxfam's fully-developed answer to the 'Why Agriculture?' question, however, should exemplify its wider thinking about the nature of poverty and injustice. In part this is about taking an approach that looks beyond income gains alone, and Part 1 examines the contribution of agriculture both at the household level and at the national economic level to food security, coping with shocks, equity, culture and environmental preservation. Growing inequalities in particular perpetuate poverty and powerlessness, and across the

world the agriculture sector has become increasingly dualistic, split between a well-supported commercial farming and a mass of small, marginalised farmers. The other dimension of inequalities developed most strongly here is that of gender inequality. Women in developing countries depend heavily on agriculture for their livelihoods, both as farmers and labourers, but their livelihoods are often more precarious than that of their male counter-parts. Policy interventions that seek to support women's agricultural livelihoods are not only important to upholding women's rights, but have important benefits, in terms of reducing household poverty and raising agricultural productivity.

Part 2 reviews the major changes that have influenced the current state of the agriculture and food system, and touches on those to come. Evolving supply chains and the growth in high value and ethical markets driven by changing consumer tastes look set to continue, while new circumstances – the extent of environmental degradation, climate change, energy shocks and new technologies – could necessitate an entirely new paradigm in modes of agricultural production and marketing. For some of the poorest farmers and labourers this will open up new possibilities. For example, globally, waged agricultural work is increasing, and increasingly provides employment opportunities for women. But for some this will increase the risks they face, especially for groups already politically, economically and socially marginalised. Even those able to take advantage of new income-generating activities may find they face higher risks for higher returns. For labourers, the increased casualisation of the agricultural labour force can turn an employment opportunity into a 'poverty trap', especially for women workers, who endure under-payment and poor working conditions.

Environmental degradation, climate change, HIV/AIDS and population growth are also likely to place greater pressure on the viability of the smallest farms. Part 1 argues that such challenges can make the case for agricultural investment all the more urgent and necessary. Certain features of small farms – their transmission of local knowledge for instance – can also mean they have a key role to play in protecting environmental goods. But it may be necessary to recognise that, in some cases, investment in agriculture will be about enabling rural populations to exercise greater choice about their livelihoods, including leaving farming altogether.

For the poorest farmers and labourers to prosper, a different set of policies and practices often needs to prevail. Part 3 of the paper looks at the policy options on the table, focussing on national policy. Underpinning them all is the importance of increased investment in the agriculture sector, after years of decline in both government and donor spending.

Despite the changing context, a hard core of policy prescriptions relevant to national agricultural policy – secure access to land, access to inputs and services, technology, infrastructure – remain fundamental to the agricultural agenda. While these policy prescriptions tend to focus on increasing agricultural productivity, Part 3 also draws attention to the importance of accessing and adding value in markets, and what this means for the development of business services and enterprise support, and creating an 'enabling environment' for private sector development. In addition, Part 3 adds to the conventional agricultural agenda in highlighting the importance of policies that ensure decent work and the respect of human rights for agricultural labourers, who are too often invisible to policy-makers. And it considers the complementary role of social protection policies and agricultural policies in reducing risk for the most vulnerable groups.

A set of controversial questions also arise for policy-makers and advocates, but with added urgency, as climate change and environmental considerations begin to bite. What role can technology play and how can it be best harnessed in the interests of the poorest communities? Is a new Green Revolution in Africa desirable or possible? Can sustainable agricultural practices be scaled-up to meet the needs of food security and environmental sustainability?

Part 3 touches on the importance of a wider policy agenda than that traditionally circumscribed by 'agricultural policy'. Supporting women's access to and control of assets and services, and decent work, may require a 'simultaneous' set of policies delivered outside the traditional remit of an agriculture ministry, investing in technologies, transport and infrastructure to reduce the 'household time burden' that so often constrains women's access and participation. This is especially pertinent for households suffering the impact of HIV/AIDS.

Part 3 draws in strong links with the climate change and trade agendas, with a section on mainstreaming climate change adaptation policy in agriculture policy and the constraints and opportunities presented by new trade and investment arrangements. Investing directly in agricultural livelihoods, though, will reinforce the gains from any change in these other policy areas, building resilience to climate change and increasing the benefits from trade.

Part 4 concludes by reflecting on 'Who and How?', stressing the importance of empowerment of rural groups to achieving policy change, and examining what actors will be instrumental to achieving the changes and implementing the policies Oxfam advocates for.

The importance of state intervention and regulation is paramount to discussions throughout this entire paper. This applies not only to the challenge of delivering agricultural services, but also regulating labour markets, and ensuring corporate activities promote development. The section argues that particularly in remote, rural areas, there is little alternative but for a more pro-active state role in the provision of agricultural services. However, important questions to address include where state intervention can best be targeted, and how it can be undertaken in contexts where states are weak. The willingness and ability to implement specific policies may differ across state bodies. In general, although Ministries of Agriculture have been weakened by structural adjustment policies, Ministries of Finance have seen their power bolstered, but are a more difficult place for civil society groups to gain access.

Weak rural voice and representation – a form of powerlessness – is recognised by Oxfam as a facet of poverty in itself. But empowering workers' and labourers' organisations is also key to increasing bargaining power in markets and ensuring effective states uphold the rights of their citizens. The paper discusses the challenges to such organisations in coping with new changes to agricultural markets, such as liberalisation and the casualisation of labour markets, and in becoming more representative of the poorest sections of society.

The section also looks at the role of 'new' actors, such as increasingly powerful consumers, and new innovations in value chain organisation. As state functions in agriculture have been dismantled in many, but not all, contexts, new arrangements have sprung up, between the private sector and farmers', for example. NGOs are increasingly working with progressive sections of the private sector, through voluntary codes of conduct or multi-stakeholder initiatives.

The importance of context to Oxfam's analysis and policy propositions on agricultural livelihoods strengthens the case to undertake campaigning much nearer to the reality of poor peoples' livelihoods. The policy choices made by national governments have been shown to be instrumental in changing those day-to-day circumstances for millions of people – cash transfers in Brazil or fertiliser subsidies in Malawi, for example. In addition, some issues are hard for global actors to address (land struggles between ethnic groups, for instance).

Global actors and institutions remain pertinent, nevertheless, in some cases supporting the 'enabling environment' in which progressive intervention can take place, in others constraining the policy choices available to national governments. But unlike the trade

and climate change debates, the many other issues that bear on agricultural livelihoods are not governed by a single, multilateral process, but are better described as constituting multiple, over-lapping processes and 'moments'.



## Part 1: Why Agriculture?

Given Oxfam's long history of rural development programming, part of the aim of this paper is to develop Oxfam International's narrative about why rural livelihoods, and in particular the agriculture component of those livelihoods, matter to the reduction of poverty and inequality. Massive changes currently taking place in rural environments pose new threats to this thesis, but, paradoxically, in the last few years a greater consensus has emerged among multinational institutions and donors that agriculture remains vital to growth and poverty reduction.

However, there is no 'one-size-fits-all' model for the diversity of contexts in which Oxfam operates. The first part of this report attempts to grapple with both this geographical diversity and the so-called 'multi-functionality' of agriculture, that means that the sector plays important functions in relation not only to poverty reduction and economic development, but also ensuring food security, reducing inequality and preserving environmental goods. The paper does so through a number of lenses, looking at agriculture's role in the household systems of people living in rural poverty; small-scale agriculture's contribution to development goals, and the 'macro' role that agriculture can play in catalysing national development.

### 1.1 Why Rural Remains Relevant

In answering the 'Why Agriculture?' question, the obvious starting point is the ongoing salience of rural livelihoods to poverty reduction, despite urbanisation. Globally, it remains the case that most of the world's poor live, and will continue to live, in rural areas:

- At present, an estimated 75% of the world's poorest people live in rural areas.<sup>1</sup>
- Despite urbanisation, poverty will remain predominantly rural in most regions until 2020, and the majority of poor people are expected to continue to live in rural areas until 2040.<sup>2</sup>
- Rural poverty is in many circumstances deeper, i.e. more severe, than in urban areas.<sup>3</sup>

Obviously there is high regional variation. Latin America and East Asia are the regions where the largest outflow of population from rural areas has already been occurring – although pockets of high rural poverty remain affecting millions of livelihoods. Numbers of rural poor are still rising in Africa and South Asia, however, and are expected to outnumber the urban poor until 2040.<sup>4</sup>

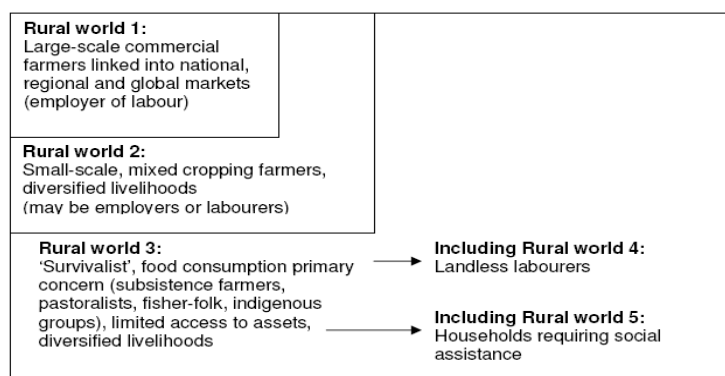
### 1.2 The Diversity of Rural Poverty

Rural groups living in poverty are highly heterogeneous, but face common challenges of economic, political and cultural exclusion and highly precarious livelihoods – as best summed up by IFAD:<sup>5</sup> *“The rural poor...are independent producers and wage workers whose livelihoods principally depend on agriculture and agriculture-related activities. They are (smallholder) farmers, herders, small entrepreneurs, fishers and landless agricultural labourers. They are members of indigenous groups, minorities and scheduled castes. They are those with the least land and water, and with least control over the assets they do have. They typically have little access to modern technology and very little preparation for the development and management of modern forms of association. More often than not, they are women, and, as such, have special difficulties in accessing key development resources, services and opportunities. Frequently the rural poor are socially excluded, isolated and marginalised groups on whom those responsible for*

*the development of modern institutions and services have all too often turned their backs. Their lives are characterised by vulnerability and insecurity, which makes it difficult for them to take risks that could lead them out of poverty.”*

A useful – if stylised and static – schema for understanding the inter-relationship between rural households and the wider agriculture and food system is through the prism of ‘rural worlds’:

**Figure 1: The Five Rural Worlds**



Source: Bill Vorley, IIED

Oxfam works across this spectrum of natural-resource dependent communities and rural worlds – with small farmers, fisher-folk, pastoralists, forest-dependent peoples, those employed by rural worlds 1, 2 and 3 as well as those producing in rural worlds 2 and 3. However, the parameters for this paper have been set by the focus of the Economic Justice campaign – which hones in on the agriculture sector – and the subsequent focus of Oxfam’s national campaigning work on agriculture - principally small-scale crop farmers, waged labourers, and, in East Asia, fisher-folk. Many of those carrying out these activities are women, particularly in parts of Africa, where women provide 60% of harvesting and marketing activities, 80% of storage and transport, 90% of hoeing and weeding and 100% of processing of basic food stuffs.<sup>6</sup> Women account for 20-30% of the overall waged agricultural workforce, and are increasing in number.<sup>7</sup> Without reaching these women, therefore, agricultural programmes and policies neglect a huge constituency most in need of support.

## 1.3 The ‘Micro’ Rationale: Making the Case for Support to Agriculture at the Household Level

### *a. Agriculture’s Importance to the Household Economy and Income Poverty Reduction*

Critics contest a singular focus on agriculture on the grounds of the increased diversification of income sources by poor rural households off their own farms (rather than broadening the mix of crops planted on-farm, for example) and in particular away from agricultural activities (‘de-agrarianisation’).<sup>8</sup>

Despite scant and often incomparable data, it is clear that diversification and the pursuit of non-agricultural work is an important and widespread rural phenomenon, one that has been increasing and one that occurs across the wealthiest and poorest rural groups. Nevertheless, both agriculture and non-agricultural activities remain important parts of the mix. The World Bank estimates that of the 3.3 billion people living in rural areas in

developing countries, 2.5 billion are in households involved in agriculture.<sup>9</sup> Across a wide spectrum of countries where Oxfam staff were consulted for this paper – from Cambodia and the Philippines to Pakistan, Tajikistan, Armenia, Honduras, Guatemala, Paraguay and Peru – investment in agriculture is still considered highly relevant due to the high proportions of people in poverty whose livelihoods are ‘anchored’ in the sector.

A more in-depth FAO study<sup>10</sup> that uses comparable data from household surveys in 15 countries on four continents,<sup>11</sup> shows that non-agricultural incomes average 47 per cent of total household income. Regional differences are pertinent, however, with diversification less prevalent in the sub-Saharan African countries featured than in other regions, while non-agricultural wage employment is particularly important in the Latin American and Asian countries. However, analysis using participation rates in different activities rather than contributions to income, shows that the vast majority of households maintain on-farm production i.e. agriculture continues to be an important part of their portfolio.

Important to understanding the drivers of poverty reduction in a rural setting is the relationship between the two. Is it agriculture that drives diversification and thereby acts as the principle route to poverty reduction? This logic has been questioned through some studies on diversification in South Africa and Latin America where other sectors such as tourism have been drivers of the rural non-farm economy, and new research from India also shows that non-farm sector growth has not been dependent on the expansion of local agricultural productivity.<sup>12</sup>

Conversely, the relationship between non-farm earnings and agricultural output is also complex, with non-agricultural employment potentially taking household resources away from agriculture. Nevertheless, Ellis (2004) suggests that there is considerable evidence that higher non-farm earnings result in higher agricultural yields and improved natural environments, as non-farm profits are invested back into agriculture.<sup>13</sup> Findings about the impact of migration out of rural areas on agriculture are more mixed, however. Although the FAO study indicates that remittance payments are a significant source of income in many rural households, evidence from the literature and Oxfam country offices indicates that these payments do not necessarily lead to additional investments in agricultural production.<sup>14</sup> However, in the long run the relationship is complex, dependent on changes to farm size and labour markets / wage rates in response to the outflow of population.<sup>15</sup> The gendered implications are also mixed: on the one hand, women ‘left behind’ when their spouses migrate can gain greater autonomy, but on the other, their domestic activities may increase.<sup>16</sup>

Underlying some of these changing livelihoods patterns are heightened inter-linkages between urban and rural settings, through migration, but also employment increasingly split between the two. Recent research on rural livelihoods has also shown that many non-farm occupations are closely linked with urban areas,<sup>17</sup> while urban markets have become an important source of demand for high-value agricultural produce for small-scale farmers in many contexts. However, geographic advantage is key to taking advantage of such opportunities, and more remote rural areas remain marginalised from both the new agricultural and non-agricultural opportunities.<sup>18</sup>

While any generalisation should be treated with caution, agriculture plays what can best be described in many contexts as a *necessary but not sufficient role* in providing household income, although it generates employment for huge shares of the economically active population in developing countries – up to 70% in the most agriculturally-dependent.<sup>19</sup> There is a critical role for policies that complement those in agriculture to support the generation of income from non-farm activities, although these will not be addressed here.

In pointing to the prevalence of ‘multi-activity’ among rural households, the analysis above also highlights the importance of agricultural labour as well as production as an economic activity to poor households. Nearly half of these people working in agriculture

are waged workers. Waged work is, with the exception of some Latin American economies, on the increase in both absolute and relative terms,<sup>20</sup> even though the agricultural workforce as a whole is shrinking. Only in Africa are rural workers predominantly self-employed on their own farms or in small enterprises. Waged labourers, however, are often among the groups with the highest incidence of poverty and their labour is often temporary and seasonal, and casual. Wages are low relative to other sectors, and conditions are often hazardous.<sup>21</sup>

The fact of women's important contribution to the agricultural component of rural livelihoods also has important implications for poverty reduction. Although the data continuously under-represents women's role in the agriculture sector, the proportion of women working in the sector relative to the entire agricultural labour force has increased slightly for developing countries as a whole, reaching just under 50%.<sup>22</sup> Regional differences are marked, however, and a debate persists about whether women are becoming increasingly over-represented in the sector relative to men (i.e. whether there is a 'feminisation' of agriculture). In Latin America – with high regional variation – women are increasingly working in waged labour (particularly the processing of non-traditional export crops) and as unremunerated family labour. In sub-Saharan Africa, there is again strong evidence of high female participation in the non-traditional agro-export sector, and as men are increasing mobile the traditional gendered division of labour between cash and food crops may be breaking down. In South Asia, India is experiencing a feminisation and casualisation of rural agricultural waged labour, and with increased out-migration of men, it may be that women's role in unremunerated farm work is increasing. In Uzbekistan and Tajikistan unwaged and waged agricultural work is becoming dramatically more feminised. But in South East Asia there has been a shift in rural labour force participation by women to the urban sector. In the Middle East and North Africa, women's participation in overall agricultural work has been declining.<sup>23</sup>

The implication for poverty reduction where this gendered dimension is recognised is key. Women are often among the more vulnerable in society, and their agricultural livelihoods are more precarious. The implications for household poverty reduction are also stark: numerous studies have now shown that when women control household income it is more likely to be used to improve family food consumption, child nutrition, education, and overall well-being.<sup>24</sup>

### ***b. Beyond Income: Agriculture's Importance to Household Food Security, Coping with Shocks, Equity and Culture***

The importance of agriculture to poor rural households goes beyond income security. Firstly, the most obvious function of agriculture is the direct provision of food for one's family. For rice farmers in the Philippines who now get up to 80% of their household income from remittances, it seems illogical to continue to farm. However, when asked, such farmers place a high premium on household food security and ensuring their own rice supply.<sup>25</sup> However, many rural households are also food insecure. Food insecurity more broadly – a combination of lack of food availability and lack of stable income to buy nutritious food – is predominantly rural, with half of the world's hungry people estimated to live on small farms, two-tenths the rural landless and one-tenth pastoralists, fisher-folk and forest users.<sup>26</sup>

Agriculture can also be an important livelihoods activity for the rural poor in the face of shocks. After Indonesia's financial crash in 1998, the sector absorbed 4.5 million people who headed back to their villages following job losses in the cities.<sup>27</sup> Such shocks can be political as well as economic. In their consultation summary for this paper, Oxfam staff in the Occupied Palestinian Territories describe: "*when all economic sectors are collapsing due to the deterioration of the political situation, people turn to agriculture, even if they have never worked in that sector before...*"<sup>28</sup>

Investment in women's agricultural livelihoods can also support enhanced gender equity in the household and community: Enabling equitable access to land, for example, not only leads to the employment of labour and the production of crops, but also allows women greater social power in the community. A recent study in India showed that women who owned land outside the conjugal household were half as likely to suffer domestic abuse as their counterparts.<sup>29</sup>

Agricultural activity can also have an intrinsic cultural value. In the South Pacific, land is still held communally in a traditional way by kinship groups, with agricultural activity bound up with a sense of social security, kinship bonds and cultural and personal identity. For many ethnic minority groups, losing traditional agricultural practices is in effect a loss of culture, with religious rituals and festivals, food taboos and gender relations based around locally specific livelihood systems. Among ethnic groups in the Mekong region of Vietnam, for example, this loss is primary to the experience of poverty itself, with cultural upheaval resulting in social dislocation, psychological trauma and health vulnerability.<sup>30</sup>

### *c. The Right to a Sustainable Livelihood and Livelihoods Choice*

Support to agricultural activities undertaken by poor rural communities is therefore concerned with supporting poor people's *rights* to a sustainable livelihood, conceived of in the broadest sense.

However, there is an underlying tension between the need to support agriculture-based livelihoods 'in situ' and the danger that this creates what has been described, in extremis, as 'parking lots for the poor' in rural areas. In part this relates to real concerns about the viability of small-scale agriculture in some settings, a debate that is discussed in 1.4. In part it points to the need for pragmatism, given the dynamic nature of people's livelihoods and the changing aspirations of rural populations. While in some settings, people's choice to remain in farming is compelling, in others, in the long-term, the challenge will be to create alternative livelihoods. Ultimately, the main goal may be enabling poor rural populations to exercise choices about their livelihoods that are *not* driven by distress, as is often the case for the poorest migrants.

## **1.4 Farming Against the Odds? The Case for Small-Scale Agriculture in Developing Countries**

Beyond arguments about the role of agriculture plays in household economies, a highly politicised debate continues about the function and future of small farms, in particular their role in ensuring future food supply.<sup>31</sup> The debate is not just academic. Many of the countries consulted for this report observe the legacy of political choices to channel support into a 'modernised', commercial farming sector: the increased neglect and marginalisation of small-scale agriculture and subsequent widening of rural inequalities.

While a binary distinction between 'small' and 'large' farms is somewhat artificial, the fact remains that 87 percent of farmers in developing countries cultivate less than two hectares<sup>32</sup> and rely on a mode of production where the farm family provides the principal source of labour. Historical trends suggest that small farmers will continue to dominate the 'agricultural landscape' for at least the next two to three decades, particularly in Africa and Asia. These are amongst the most disadvantaged and vulnerable rural groups – the share of smallholder households falling below the poverty line in Mozambique is 97%.<sup>33</sup>

But is the case for investing in small-scale agriculture about protecting such communities from further marginalisation or can it be a dynamic investment in food production and agricultural growth? It is worth noting that small farmers already account for a sizeable

share of production in many contexts – in India, for example, they supply over 40% of food grains and own the majority of livestock.<sup>34</sup>

Beyond this, there is significant economic evidence of the efficiency of production on small-scale farms. Small, family farms have certain intrinsic advantages, based on stronger attachment to their farm production, the labour intensity and close management of available labour. Quite simply, they make intensive use of land by using more, low-cost labour, which means that *at a particular stage of development*, when labour costs form a significant proportion of agricultural costs, larger farms tend to yield lower gross and net returns per hectare of land per hectare of land in a given year.<sup>35</sup> It is this inverse relationship that led the Economist to advocate that investing in small-scale farms in the developing world to combat the effect of rising food prices would provide a higher return on investment.<sup>36</sup>

While larger farms benefit from economies of scale that allow them better access to inputs, technology and markets, these are advantages that can also be captured by small farms when they join in co-operatives or producer organisations.

The potential to stimulate rural development was illustrated by a recent study of livelihoods strategies in Vietnam that concluded that large-scale farms failed to contribute to the development of rural centres as they relied little on local processing and re-invested profits in the cities. Small-scale farms, if properly supported, however, could support the development of rural centres (and were more likely to be efficient in responding to changes in demand).<sup>37</sup>

The production potential of small farms may not be universal, however, and faces a major challenge due to farm fragmentation and the decreasing size of farm plots.<sup>38</sup> It is possible that farms below a certain size become too small to employ even family labour. In these cases, such farms will require social assistance.

Changes in the external environment such as liberalisation, climate change and environmental degradation - explored in greater depth in Part 2 - throw up new challenges to the viability of small-scale farming in some areas, and have provoked experts to remark "It is possible that the conditions faced in many of today's poorer areas are too difficult and challenging for agriculture to be a viable driver for pro-poor economic growth".<sup>39</sup> The nature of these threats and opportunities is assessed below. However, suffice to say here that some, if not all, of these challenges may make the prerogative of comprehensive investment in agriculture *all the more* necessary and urgent. The impact of climate change in Africa, for instance, is perhaps to limit the window of opportunity to trigger rural growth "It may only be a matter of two or three decades before it becomes much harder for agricultural growth and poverty reduction to be achieved using the approaches currently available. If this is the case, it is a clear reason to double and redouble efforts at stimulating smallholder-driven rural growth processes and poverty reduction immediately."<sup>40</sup>

And of course the case goes beyond measures of economic efficiency alone. Supporting small-scale farmers is also an important means to achieving *more equitable* poverty reduction, narrowing rural disparities and ensuring more broad-based rural growth. Small farms can also play a critical role in the *preservation of environmental goods*, in particular sustaining crop genetic diversity (which may well have implications for food security in the long-run). Not only is maintaining such high diversity highly labour intensive – which means small farms are well suited to it – but small farmers are more likely to hold highly localised knowledge about varieties and habitats.<sup>41</sup>

## 1.5 The 'Macro' Rationale: Agriculture as a Driver of National Development Across Contexts

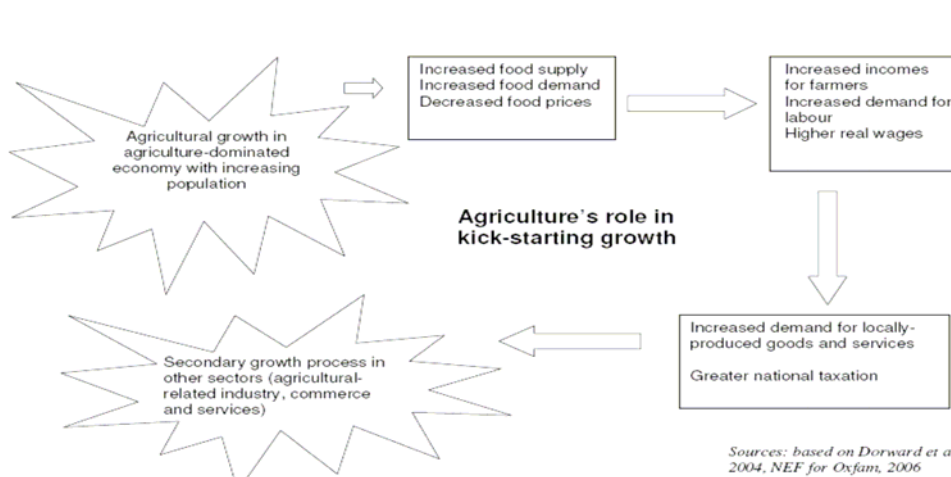
### a. Agriculture as the Economic Growth 'Spark'

The economic arguments in favour of small farms presented above relate to arguments that can also be made at the macro scale about the role the agricultural sector can play in stimulating economic growth *with* significant poverty reduction. However, as this section will develop, this argument is highly contingent on a number of factors. In addition, it does not imply that agricultural growth should be encouraged to the exclusion of other sectors – indeed, according to theories of agricultural development, at a certain point, supporting growth in both agricultural-based industrialisation processes and other sectors will be key. The theory implies that as countries grow richer, agriculture's share in growth and employment declines. While this is largely borne out by the experience of development in OECD countries, this should not be over-exaggerated. It is also the case that it is the locus of value-added activities that change, from production to processing, packing, retailing etc. While these are counted as service industries, they are rooted in agriculture.<sup>42</sup>

Historically, economic take-offs have been dependent in their initial stages on take-offs in agriculture. This was the case not only for the industrial revolution in Western Europe, but also in Japan, Taiwan, South Korea and India.<sup>43</sup> DFID, the UK Government's development department, concludes that "No poor country has ever successfully reduced poverty through agriculture alone, but almost none have achieved it without first increasing agricultural productivity".<sup>44</sup>

The theory relies on the premise that increased productivity – key to ensuring that farmers can benefit from lower prices due to greater efficiency – fuels both rural employment, increases demand, reduces the costs of food and stimulates the rural economy. The simple tenets of this theory are illustrated below.

**Figure 2: Agriculture's Role in Kick-Starting Growth**



Sources: based on Dorward et al., 2004, NEF for Oxfam, 2006

Where agriculture is labour-intensive and small-scale, growth in agriculture therefore exhibits stronger links to growth in other sectors than initiating growth in non-agricultural sectors would. This 'multiplier' effect is estimated to be three times as large

as that arising from non-agricultural growth.<sup>45</sup> This ability to 'connect growth to the poor' so strongly leads some to conclude "it is unlikely that there are many other development interventions capable of reducing the numbers in poverty [in both urban and rural areas] so effectively".<sup>46</sup> One group of agricultural economists concludes that a yield increase of one-third could reduce numbers in poverty by one-quarter or more.<sup>47</sup>

However, this theory is *highly contingent*, firstly on the nature of agricultural policy, and, secondly, on the national context. The distribution of assets, for example, mediates the relationship between growth and poverty reduction.<sup>48</sup> Latin America is the prime example of where highly unequal land distribution has reduced the effect of agricultural growth on poverty alleviation.<sup>49</sup> The theory also holds best in (national or sub-national) contexts where agriculture accounts for a high proportion of growth and employment. This is the case in sub-Saharan African countries, where agriculture accounts for up to half of GDP and over one-third of GDP growth.<sup>50</sup>

### ***b. Beyond Growth: Agriculture and Equity Reduction***

In many of the contexts in which Oxfam is supporting agricultural programmes, other issues are highly relevant to its intervention, such as the food security and environmental dimensions touched on above, which apply at the national as well as at the household level.

One such dimension in which Oxfam declares a particular interest is the reduction of social and economic inequalities - a facet of the experience of living in poverty and major barrier to the reduction of poverty and broader 'development'. Even in contexts where Oxfam works and the agriculture sector is not a primary driver of growth, reducing inequality in the sector may be paramount to reducing poverty and marginalisation. Oxfam's US Domestic Programme, for example, is focussed on ensuring equity and a fair distribution of resources down the supply chain to the producers and workers at the bottom. The programme focuses on food processing and farm workers in the South-eastern United States, who earn poverty level wages, are often excluded from labour legislation, and are subjected to dangerous working conditions.<sup>51</sup>

The role of agriculture in enhancing gender equity in the household and community has already been touched upon. More broadly, agriculture can be a key sector for reducing gender inequalities at the national scale in developing countries because women's livelihoods are so heavily dependent on agricultural activity - two thirds of the female labour force is employed in agriculture in developing countries.<sup>52</sup>

### ***c. The Role of Agriculture across National Contexts***

It is clear that differentiated messages are needed for different contexts about the role of agriculture in development. Although crude, the table below suggests how some the arguments above about growth, poverty reduction and equity might apply to the countries in which Oxfam intends to build up campaigns on agriculture. It draws on a typology developed in the World Bank's World Development Report 2008 on agriculture that classified countries according to the share of agriculture in growth and the share of poverty in rural areas (using a \$2 a day measure).<sup>53</sup>



**Figure 3: Rationale's for Agricultural Investment Across Oxfam's Campaigning Countries**

Agriculture-based economies <i>(accounting for 417 million rural people)</i>	Transforming economies <i>(accounting for 2.2 billion rural people)</i>	Urbanised economies <i>(accounting for 255 million rural people)</i>
Tanzania Burkina Faso Nigeria    Honduras	India Indonesia Bangladesh Guatemala Morocco  Honduras Philippines	Mexico Chile   Philippines (US <sup>54</sup> )
<i>Agriculture contributes significantly to growth and food security and employs on average 70% of the working population; poor people are concentrated in rural areas.</i>	<i>Agriculture contributes less to growth (on average 10%), but poverty remains overwhelmingly rural, agriculture employs on average 60% of the working population, and there is rising urban-rural income disparities.</i>	<i>Agricultural production contributes little to growth and poverty is no longer primarily a rural phenomenon. But around 20% of the working population are still employed in agriculture, agriculture-based manufacturing may be more important to national economies and rural poverty rates are still usually higher than urban.</i>

Of course, the table does not capture the full range of experiences of different countries (in the Philippines, for example, 2/3 of the country's poor work in agriculture, but overall it contributes little to GDP and employs around 37% of the working population<sup>55</sup>) or the full significance of agriculture in relation to food security, equality and environmental preservation.

## Part 2: Threats and Opportunities

The second part of this paper sets out the contemporary challenges and opportunities for the vulnerable rural populations we are concerned with, and for agricultural development overall.

The following table summarises the current drivers of change in the agricultural sector at different scales.

**Figure 4: Current Drivers of Change in the Agricultural Sector at Different Scales**

Global-scale drivers
Greater international trade and globalisation (Incl. cultural impacts on youth)
Vertical integration of markets
World prices for agricultural products (Long-term decline followed by price surge)
OECD agricultural support (Over-supply reduces prices, restricted access to markets)
Climate change (Increased variability / extremes felt most in tropics)
High energy prices (Switch to biofuels, increased food prices)
Globalisation and privatisation of agricultural science (Increased private sector role, IP)
Country-scale drivers
Per capita income growth
Urbanisation (Increasing and changing demand)
Commercialising / shortening market chains (Strict quality, quantity standards)
Shifts in public policy (Removal state support in LDCs; Public retreat from R&D, extension and services)
Security (Financial / business environment, Conflict / crisis)
Increasing water scarcity (Water shortage threat to irrigated agriculture)
Local-scale drivers
Poverty
Population pressure and demographic structure
Health concerns related to food (Incl. malnourishment, obesity, HIV/AIDS, malaria)
Technology design
Property rights
Condition and capacity of natural resources
Infrastructure and market access
Non-farm opportunities

Source: Adapted from P. Hazell and S. Wood 'Drivers of Change in Global Agriculture'

While these drivers act and interact differently depending on context and population, remarkably similar trends are also noticeable across continents. When asked about agricultural changes in their countries, the strongest observation from Oxfam staff – from India, Pakistan, Cambodia, the Middle East and South America – related to the ever-accentuating *dualism* of agriculture in their countries, between an increasingly

commercial and often export-oriented sector and those left behind on smallholdings. In Peru, for instance, “the rift between the rural zones of the coast and those in the mountains is widening. While the first produces crops mainly aimed at the external market, in the mountains cultivation is predominantly aimed at the internal market. Most of the productive investments by the state have benefited the first group and very little the second. This has meant that in certain regions on the coast the employment rate has increased in contrast to certain regions in the mountains where poverty has risen”.<sup>56</sup>

In many contexts, these trends have exacerbated patterns of land concentration – estimates from Lebanon are that 50% of farmland is now held by 0.1% of the population, for example<sup>57</sup> – while small land holdings are increasingly fragmented. In Paraguay, a country with historically high rates of rural inequality, the number of landless has nevertheless risen, from around 8,000 in 1991 to 122,000 in 2002.<sup>58</sup> In countries such as Indonesia, the promotion of the commercial sector has been accompanied by the promotion of monoculture (particularly of jathropa and oil palm), marginalising local food crops and to the exclusion of the poorest farmers.<sup>59</sup> These deepening inequalities are often overlain with an ethnic dimension: “in Southeast Asia, for example, for many subsistence agriculturalists, and especially those from ethnic minorities, the transition to modern agriculture is proving extremely difficult and perilous...moreover, new opportunities for commercial agriculture or trading tend to be dominated by outsiders and in-migrants, while ethnic minorities tend to be relegated to the lowest rung in the new economic structure”.<sup>60</sup>

What these snapshots on their own do not capture is the inter-locking nature of the changes outlined in the table that can lock the most vulnerable in ‘poverty traps’, or a spiral of economic disadvantage. And while focussing quite rightly on the challenges for the most marginalised groups, in this rapid change in the agriculture and food system, there also exists new opportunities for those who can take advantage of them – although these are not necessarily the poorest groups.

The remainder of this part looks in more depth at the drivers of change in the agriculture sector most relevant to Oxfam’s work, and their impact, namely:

- Changing agricultural and food markets
- The challenge of scarcity (energy, environmental degradation, climate change)
- Technology deficits and divides
- The policy vacuum: shifts in agricultural policy
- The impact of HIV/AIDS

## 2.1 Changing Agricultural and Food Markets

Agricultural and food markets have been rocked by the advent of biofuels production and a surge in food prices for most internationally-traded commodities. Meanwhile, trade liberalisation, new technologies and changing consumer tastes have been fostering the rise of global market chains, driven by corporations whose power is increasingly concentrated. For developing countries, this has driven the development of the non-traditional export industries, although some – particularly in an era of low prices – have struggled to retain markets for traditional products. Agricultural trade between Southern countries has been growing too, while the ‘buyer-driven’ chains characteristic of internationalised food markets are also increasingly a feature of domestic markets in developing countries, with the same intense competition and exacting quality standards.

New analysis of the rise of biofuels production and the impact of commodity price rises will not be attempted here, as it is dealt with comprehensively elsewhere.<sup>61</sup> However, both phenomena present opportunities for those who can access the relevant markets,

but also threaten to exacerbate the vulnerability of the most marginalised, who may be displaced by new land grabbing and face increased food insecurity due to price rises.

The opportunities from global markets are distributed differently across economies, and have different potentials for agricultural development. Non-traditional crops can be an important income source for producers and labourers – where conditions allow them to participate on equitable and fair terms. At the national level, they provide an important source of foreign exchange for countries, and a means of agricultural development past the initial stages. However, Least Developed Countries usually have least foothold in these markets. In sub-Saharan Africa, the sector which could generate the requisite demand is cereals, which accounts for the highest share of rural household budgets. This has led to the estimates that, in Africa, the monetary potential of regional and local food markets will be much greater than other markets.<sup>62</sup> In middle and higher-income countries in Asia and Latin America, however, “A profitable agriculture with rising productivity will now depend on diversification into crops and livestock with better demand prospects than cereals, and into production which can add value (agri-biz)”.<sup>63</sup>

### *a. Retail Power of Supermarkets*

Nowhere is the nature of new supply chains better epitomised than in the rise of supermarkets, who have come to dominate food retailing in the North and have dramatically increased their share of food sales across developing countries. In Latin America, the value of local food purchased by supermarkets is 2.5 times higher than the region’s exports to the rest of the world.<sup>64</sup> In places with the potential for higher value crops and access to expanding markets, supporting small farmers to benefit from these markets makes sense. Where small farmers do participate in these markets, they tend to earn higher incomes than non-participating farmers. Studies have shown that returns per hectare of French beans in Kenya are 6 to 20 times higher than they are for maize-bean intercropping.<sup>65</sup>

However, many small farmers are excluded from supermarket supply chains for both the export and domestic markets. As Oxfam Philippines reports: “Small producers are not in a position to supply export markets, while some have begun to directly engage the market, these are very few and highly vulnerable to market changes.”<sup>66</sup> Working with supermarkets means working with their procurement systems, supplying high and continuous volumes of standardized quality products. Farmers must be able to respond to rapidly-changing consumer demand. This involves substantial on-farm investments, including in irrigation, cold storage and transport, post-harvesting and packing technologies, and management to ensure certification, traceability and timely delivery.

Supermarkets also exercise enormous buyer power, and may offload price pressures and demand fluctuations onto their suppliers through abusive buying practices. These are passed on along the supply chain, ultimately being borne by the weakest actors, both small farmers and agricultural labourers, most often women.

### *b. Inputs Consolidation*

Global market consolidation is not confined to retail markets: the late 1990s also saw a wave of consolidation by input companies such as Monsanto, Syngenta and DuPont, as agro-chemical companies sought to move in to seeds and biotechnology. The resulting impacts for farmers have included the mis-selling of seeds and inputs as combinations of seeds and agrochemicals are bundled together and marketed, typically by local intermediaries, to farmers in developing countries leading to farmer dependency and indebtedness, as farmers borrow more than ever, often from the companies themselves, to pay for input packages.<sup>67</sup> In addition, biotech companies have sought to undermine the rights of farmers to save, use, exchange and sell seed through lobbying for tight IP regimes in bilateral trade deals. In countries in which current regimes provide a better balance between farmers’ rights and those of the input companies, the companies are

pursuing private contracts with farmers to limit the rights of farmers to save or exchange seed. For smallholder farmers, these contracts would be unfamiliar and perhaps not understood.

Input companies are increasingly forming strategic alliances with processing and trading companies, in which farmers are contracted to buy seeds and chemicals from a single input company and sell their produce to a single buyer – trapping them between a monopoly on the one side and a monopsonist on the other. Partnerships include Cargill/Monsanto, Novartis/ADM and DuPont/ConAgra. Such practices may be unacceptable in advanced country competition regimes – competition authorities in US and Australia recently prevented Heinz from demanding that contracted tomato farmers use its own-brand seeds – but weaker competition regimes in many developing countries mean that such anti-competitive practices are able to persist.

Concentration among processors and traders has also raised concerns that companies will use their resultant buyer-power to force down farm gate prices and impose various other unfair buying practices on producers.

### *c. Opportunities in Niche Markets? Fair Trade and Organics*

New, consumer-driven markets, may offer new opportunities. Fairtrade has been growing rapidly in the EU and US, though it remains a very small share of global trade. Organics constitutes a larger market, and has been increasing between 15-30 percent every year across the EU and US.<sup>68</sup> There is also an increasing market for ‘ethical’ products in developing countries, with domestic organics markets in South Africa and Egypt, for instance.

The structure of Fair Trade schemes differs greatly from organics markets, and Fair Trade markets mostly source from co-operatives of small producers. For organics, however, small-scale producers are more likely to be excluded as large farms have taken advantage of the market (although this may have created new employment opportunities). Where growers can access these markets, studies suggest higher incomes in some cases. By supplying organic cherry tomatoes to the US, members of the Del Cabo cooperative in Mexico have increased their average income from \$3,000 to \$20,000.<sup>69</sup> Yet studies generally conclude that the benefits from organics are more in terms of resource conservation, crop diversification, food security, and other environmental externalities.<sup>70</sup>

In producing for the fair trade and organic markets, farmers still contend with demands for certification, quality, and consistency, and generally need to rely on producer associations and public sector research to help them access and compete in these markets.

### *d. New Labour Markets*

The restructuring of supply chains has also opened up opportunities and posed challenges for farm workers. Waged agricultural labourers work either on smallholder farms or on private commercial or company plantations. Trends suggest that most labour will continue to be hired on industrialised farms producing higher-value foods such as horticulture, floriculture, aquaculture and pigs and poultry. However, these jobs are rarely formal and permanent. Agricultural workers are among the groups with the highest incidence of poverty in many countries. Workers are among the most socially vulnerable, the least organized into trade unions, employed under the poorest health, safety and environmental conditions, and the least likely to have access to effective forms of social security and protection. Rural workers are more subject to forced labour than other categories of worker. Wages are lower than in other sectors. Real wages have been rising in Asia and Africa, and declining in Latin America.<sup>71</sup> The number of waged women workers is also rapidly increasing but women get a worse deal. In India, the average wage for casual work in agriculture is 30% lower for women than for men.<sup>72</sup>

Even though many waged agricultural workers are landless, a significant number of small-scale farmers work as waged workers for at least part of the year.<sup>73</sup>

In the non-traditional export sector in particular, there has been a marked 'casualisation' and 'feminisation' of the workforce. Between 1994 and 2000, women gained 83% of new jobs in the Non-Traditional Agriculture Export sector.<sup>74</sup> On the one hand, women by the thousands hold for the first time a wage position, benefiting in terms of earnings, and increased decision-making in the household and participation in organizations beyond the house. However, such work is increasingly casual, underpaid, and workers face poor conditions. Flexible labour practices enable exporters to drive down wage and social benefit costs such as sick pay, while shifting the risks of production and the costs of maintaining the labour force onto workers and their families. Frequently there is a marked gender division of labour on plantations: women's role is often limited to unskilled labour like picking and packing, men carry out tasks of harvesting and replanting. The impact of such precarious employment also goes far beyond the workplace. Most women are still expected to raise children and care for sick and elderly relatives when they become cash-earners, becoming doubly burdened.

Case studies indicate that sub-contracting is on the increase, which brings with it exploitative practices such as over-charging for housing and holding back wages. Contracted workers often receive lower wages than directly hired workers. Wages are often piece-rate and many workers are employed on a daily basis. Such workers are more vulnerable to poverty than workers in other employment categories.

Globalisation and work opportunities in seasonal agricultural employment attract a significant number of migrants. According to recent estimates, the number of migrant agricultural workers in North America today accounts to approximately 5 million. In 1999-2000, migrants performed 61 per cent of the harvest tasks.<sup>75</sup>

The growing number of flexible workers has created a division between core workers and peripheral workers. Pack house workers and permanent on-farm workers are more likely to be represented by unions and to enjoy a degree of job security and benefits. Contract workers and migrants tend to be worst off. This increased 'duality' of working conditions also undermines the bargaining power of the unions.<sup>76</sup>

## 2.2 The Challenge of Scarcity

### *a. Energy Markets*

The future of global energy supplies is precarious, and driving energy price rises. In turn, energy prices have begun to correlate increasingly with food prices, both as a result of the demand for crops as an energy source and rising costs of agricultural production. While the developed world uses considerably more energy in agricultural production than the developing, developing country farmers are particularly affected by rising fertiliser costs (fertiliser costs have risen more than oil and staple and cash crop prices<sup>77</sup>), and the cost of use of machinery and transport. For poor rural households, rising energy costs may also drive the increasing use of wood, manure and crop matter as a source of household energy – exacerbating deforestation and land degradation.<sup>78</sup>

### *b. Environmental Degradation*

Although not a new phenomenon, the severity of current environmental problems could well pose threats to future agricultural productivity. The main facets of environmental degradation are:

1. **Land degradation.** About 1.2 billion hectares (almost 11% of the earth's vegetated surface) has been degraded due to human activity over the past 45 years. In Africa, the region most extensively affected, 65% of the region's agricultural land has been degraded

since 1950 – compared to 51% in Latin America and 38% in Asia. The biggest causes are water and wind erosion, contamination, including from agriculture, and overuse of irrigated water which causes salinisation. There are major constraints on land expansion in all regions apart from Africa and Latin America, in part caused and in part exacerbated by degradation.<sup>79</sup>

2. **Water use and availability.** Irrigated agriculture is a major user of freshwater, and critical to world food supplies. 15-35% of total water withdrawals for irrigated agriculture are now estimated to be unsustainable i.e. use exceeds supply.<sup>80</sup> Shortages affect small farmers first as they have no access to pumps and insecure water rights. Salinisation and water logging then further erode land, an effect likely to be exacerbated by climate change due to rising sea levels. In addition, agriculture faces increasing competition from other sectors for water use.

3. **Loss of biodiversity.** Diversity helps resilience, controlling pests and keeping soils fertile, and reductions of agro-diversity (related also to 4.) means increasing disease and pest problems. Meanwhile, biodiversity could become even more important to increasing productivity and breeding for pest and drought resistance, especially given the impacts of climate change.

4. **Declining genetic diversity of agricultural produce.** Genetic diversity of crops has drastically reduced: 30,000 varieties of rice were grown in India fifty years ago, and now only 10 varieties cover 75% of the rice-growing area.<sup>81</sup>

In increasingly intensive agricultural systems, agricultural practices have also polluted water and soil.

### *c. Climate Change*

Climate change will exacerbate the effects of environmental degradation. Developing countries economically reliant on agriculture are especially exposed, and will suffer 'first and worst' from decreases in agricultural productivity, experiencing the greatest declines in agricultural productivity at even moderate temperature warming (as crops are already at the limit of their heat tolerance).<sup>82</sup>

There will be significant regional variability as to the impacts depending on changes in temperature, precipitation, CO2 levels, climatic variability, and surface water run-off. Low-lying areas will also suffer damage from salinization, coastal erosion and flooding. As well as changed patterns of production, agriculture will also suffer from increased shocks.

**Figure 5: The IPCC's assessment of the impact of climate change on agriculture**

Impact on crop production	<p><i>Decreased yields of major cereals in dry and tropical regions, even with slight warming. Increased number of extreme weather events likely to have greater negative impact than increased average temperatures.</i></p> <p><i>Increased irrigation demand, coupled with declines in water availability in some regions: due to decreases in precipitation in the sub-tropics (particularly affecting rain-fed agriculture in central America and sub-tropical Africa) and in others due to snow pack and glacier melt.</i></p> <p><i>Increase in extreme precipitation in production areas in South and East Asia.</i></p>
Impact on livestock production	<p><i>Decreased grassland and rangeland for animals in arid and semi-arid regions; loss of domestic animals during extreme weather events, e.g. droughts.</i></p> <p><i>Reduced productivity and fertility of animals due to heat stress, increased water requirements.</i></p>
Impact on forestries	<p><i>Economic opportunities for commercial forestry in the short-term; in the long-term production shifts to high-latitude regions.</i></p> <p><i>Largest impact will come from deforestation and changes in human land use. Loss of non-timber forest resources could directly affect 90% of 1.2 billion forest-dependent people who live in extreme poverty.</i></p>
Impact on fisheries	<p><i>Some local extinctions of fish species, and regional changes in distribution and productivity. Economies most likely to suffer are Central and North Asia, Western Sahel, coastal tropical regions of South America.</i></p>

Source: IPCC 4<sup>th</sup> Assessment Working Group 2 Chapter 5, 2007<sup>83</sup>

Agriculture-dependent populations are vulnerable to climatic change by the very fact of their marginalisation in economic and political life and relative social deprivation. They may experience positive and negative impacts within their environment – in Tanzania, for instance, the impact on smallholder-grown maize will be negative, but cotton and coffee crops may benefit.<sup>84</sup> Agricultural labourers could be increasingly affected by disease, while climate shocks will affect migration patterns and labour supply. Smallholder farmers have huge experience in managing climate variability, and indigenous knowledge which equips them to cope. This ‘natural resilience’ should not be overplayed. Barriers to adapting mean that many farmers will require public policy support, ensuring they have secure control of assets and access to agricultural services (see Part 3). Pre-existing inequalities also mean that women are more vulnerable to environmental stresses and less able to adapt to changing climatic conditions.<sup>85</sup>

However, the policy response to climate change may also throw up opportunities: It is estimated that the value of carbon trading will exceed global aid flows in the near future.<sup>86</sup> However, carbon credits as awarded through the Clean Development Mechanism are currently oriented to biofuels and processes most relevant to large, industrialised farms, such as methane gas capture from livestock. Land use and soil management are currently restricted. The opportunities from such schemes throw up the same dilemmas as the growth in other new markets – the inclusion of small farmers is by no means guaranteed and ‘decent work’ for labourers may be elusive.



## 2.3 Technology Deficits and Divides

'Technology' is a broad term. In relation to increasing agricultural productivity, in which technology use has been instrumental, it refers to plant and animal breeding, new crops, improved agricultural management, mechanisation, new infrastructure and new inputs. Beyond this, of relevance to rural households, are developments in information technology and in technologies that affect household work, and therefore agricultural labour and gendered roles in agriculture.

Processes of technological research, dissemination and use are governed by and shape power relations, and therefore affect the poorest countries, communities and individuals (especially women). Technology often favours crops traditionally grown by men and ignores the impact this will have on household incomes and welfare. In all areas, there is no 'technology fix', as technology use is mediated by political, social and cultural relations.

"The technological challenges facing agriculture in the 21<sup>st</sup> century are probably even more daunting than those in recent decades".<sup>87</sup> In terms of increasing agricultural productivity, the challenges have become ever more complex, and growth rates of cereal yields have been declining compared to the 1970s. Those areas that have already experienced a 'Green Revolution' now face salinisation, pest resistance and imbalances in soil fertility. Any 'new agenda' will have to be more environmentally sustainable (the potential for sustainable techniques is dealt with in Part 3). It also has to cater for the differential needs of more commercially-oriented farmers and more diversified livelihoods.

As well as conventional breeding to create high-yielding varieties, bio-technology will continued to be debated as a possible solution – especially in climate-change affected areas. The most controversial of these is of course GMOs. Producers of these transgenic crops, which have been genetically engineered largely to be herbicide tolerant or insect resistant, claim a range of benefits to farmers and consumers, including higher yields and lower pesticide use. But such claims about benefits remain disputed, and stand in contrast to human health, environmental, agro-ecological and social concerns voiced by those concerned by the spread of GM crops.

Most GMO investments are concentrated in the commercial sector and not focussed on the needs of poor communities. Use in the developing world has been concentrated on certain crops (soy, maize and cotton) and certain traits (insect resistance and herbicide tolerance). The only transgenic widely adopted by small farmers has been Bt cotton for insect resistance, mainly in China and India, although transgenic maize is also being grown in South Africa and the Philippines. The adoption of transgenics is on the rise, particularly in Latin America, but not in Africa and Europe.<sup>88</sup>

'New' technologies will be increasingly knowledge-intensive, raising questions about how information is delivered and to whom. Here, information technologies – mobile phone, internet, but also radios and televisions – can play a critical role. The costs of these technologies have been declining. In India, around 20% of the population now have mobile coverage. In Africa, 9% have mobile phones, and networks could reach 60% of the population.<sup>89</sup> In India, private companies and NGOs have worked together to establish centres – or e-choupals – that provide information on weather, farming techniques and market prices – in local languages.<sup>90</sup>

Underpinning all these technological developments is a new context for delivery in which the private sector has become, and will continue to be, increasingly important. Globally, the vast majority of agricultural research into plant varieties now takes place within TNCs, but the profit motive dictates that this is primarily focused upon the needs of Northern industrial farming and largely irrelevant to smallholder farmers in the South.

**The growing R&D divide:** Developed countries spend 5.16% of agricultural GDP on agricultural R&D, and also saw considerably higher levels of private investment than developing countries. On average developing countries invested 0.56% of agricultural GDP on agricultural R&D in 2000, with 94% of agricultural R&D conducted by the public sector.<sup>91</sup> The slowdown in developing country research spending since the 1970s has opened up a 'knowledge divide' between North and South. Only China, India and Brazil have increased their spending. Most Natural Resource Management-oriented research, most likely to explore the environmental issues raised above, has taken place in public research institutes.<sup>92</sup>

Inevitably a complex web of IPRs has been spun by the various biotech companies that hampers research. The companies themselves have tackled this problem either through informal arrangements to share technologies or through mergers. Such options are not available to small public sector bodies which now face a restricted research space and higher costs due to a need to perform IPR audits, trace licensors and pay licence fees. Recent research by the World Bank suggests that in developing country researchers are either ignorant of IPR laws, or lack the resources to carry out the necessary IPR audits anyway, raising the spectre of future lawsuits against them.

An oft-quoted benefit of the introduction of agricultural IPR schemes in developing countries is that National Agricultural Research Institutes (NARIs) will become more financially independent through earning licence fees from patents and PVPs that they hold. Whilst this may be true, this will incentivise NARIs to focus their research on more lucrative cash crops or horticultural products, rather than the staple crops more typically grown by smallholder and subsistence farmers. While the prospects for public-private partnerships are attracting increased attention, there appear to be few instances where this has so far benefited the poorest communities.

The balance of costs and benefits of different technologies will ultimately depend on the ability of farmers and their organisations, along with effective and accountable national government, to influence how it is developed, used and controlled. Research and development needs to be far more farmer-driven so that farmers themselves are at the centre of technological change.

## 2.4 The Policy Vacuum: Shifts in Agricultural Policy

At the same time that farmers and labourers face a rapidly changing and increasingly demanding rural context, in most contexts there is simply less state provision to fall back on. Over the past 20 years, as development 'paradigms' shifted, most countries moved to liberalise, privatise and de-regulate agricultural markets – although at different paces.<sup>93</sup> In the Philippines, access to basic agricultural support services dropped dramatically: the share of agricultural loans in total loans, for example, decreased from 9.2% in 1980 to 3.3% in 2006.<sup>94</sup>

Structural Adjustment advocated an end to state marketing boards and declines in investment in government services. In turn, donor and government investment in agriculture plummeted. This had a number of consequences for small-scale farmers:

**Output markets:** price liberalisation in food markets, elimination of subsidies, opening up domestic trade to the private sector and the restructuring of marketing boards meant that in remoter areas, producer prices dropped dramatically, and although they increased in more 'favoured' areas.

**Input markets:** Both the supply of inputs, and the availability of credit for inputs, became too expensive or non-existent in remoter areas, with private traders unable or unwilling to 'fill the gap'. As a result, input use in sub-Saharan Africa has been declining. Seed production and distribution was also liberalised throughout sub-Saharan Africa in the 1990s. However, this had led to little improvement at the farmer level.<sup>95</sup>

**Credit markets:** With credit agencies, i.e. marketing co-operatives, shut down, credit is often limited to a small and wealthy minority. Any rural credit is often provided through a network of (largely un co-ordinated) local projects.

While liberalisation may have delivered some positive benefits, e.g. in supply chains for some cash crops in Africa,<sup>96</sup> and in reduced food prices for consumers, there was a lack of success in many situations, and in particular in cereals growth in poor rural areas. Such policies favoured better-off farmers closer to markets. The expectation that the private sector would 'fill the gap' was not fulfilled, with the exception of some institutional innovations such as contract farming, which have mainly benefited better-off farmers (see below). The result is illustrated across the globe, as rural households face chronic constraints accessing markets.

SAPs also transferred the costs of adjustment – domestic care and longer working hours – onto the unpaid, predominantly female sector of the economy, exacerbating the 'double time burden' for women.

The orientation of Ministries of Agriculture has changed – in Peru, for example, its functions mainly relate to export promotion, not supporting small-scale agriculture.<sup>97</sup> Even where investments are being made, they often do not reach the poorest. As Oxfam India reports: "The delivery system which came in with the Green Revolution catered to a set of farmers with irrigation potential and sizeable landholdings – now the challenge is different and people cannot afford to access these services, or the services are not tailored to them."<sup>98</sup>

### *New Roles for the Private Sector: contract farming and out-grower schemes*

In the gap left by the state, and with the growth of buyer-driven market chains, there have arisen new forms of institutional innovation to deliver agricultural services. Contract farming is where a firm lends inputs in exchange for exclusive purchase rights over the contracted crop, although it may only be provided under certain conditions.<sup>99</sup> Out-grower schemes operate a similar mechanism, but the agri-business tends to have more control, as farmers offer land and labour in return for a fixed package of inputs, extension and a market.

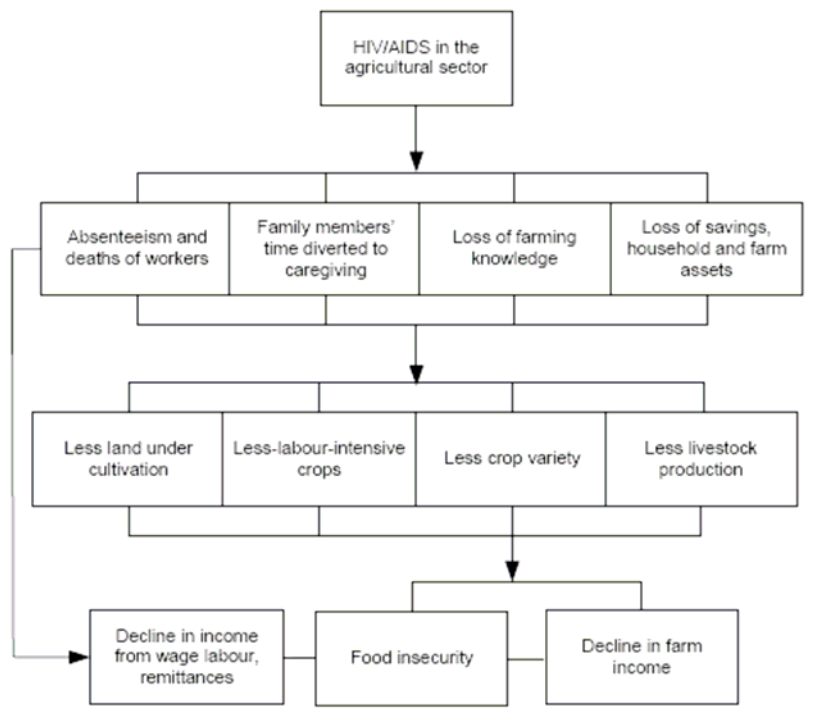
Both mechanisms can be a way of assuring a market for farmers, and assuring quality and quantity of supply for buyers. Theoretically, the arrangement should reduce the risk to both parties. However, in practice asymmetries of power in supply chains often mean risk is off-loaded to the weaker party – farmers – and potentially passed on to agricultural labourers. In India, issues raised about contract farming at a recent consultation facilitated by Oxfam included delayed payments for outputs, provision of faulty seeds, lack of formal contracts and non-delivery of technical assistance.<sup>100</sup> Strengthening farmer power in these chains can help check abuse (see Part 4). Stronger dispute-resolution mechanisms reduce the risk to farmers, and encourage investment by business deterred by the common practice of 'side-selling' – or selling to firms other than the original input provider.

## **2.5 The Impact of HIV/AIDS**

Countries across Africa have the highest incidence of HIV/AIDS on the globe. Since the majority of the population in these countries lives in rural areas, HIV/AIDS has serious implications for their agricultural sectors.<sup>101</sup>

The actual impact of HIV/AIDS on agriculture is highly context-specific and generalizations are difficult, but there seems to be some consensus at least on the different pathways through which HIV/AIDS can affect agriculture:

**Figure 6 : Different Pathways through HIV/AIDS Can Affect Agriculture**



Source: United Nations, Department of Economic and Social Affairs, Population Division

The actual numbers behind this figure are staggering for some countries. In Burkina Faso, a study found that HIV/AIDS reduced the income from agriculture by 25-50 percent across two villages.<sup>102</sup> There is less evidence on the AIDS-agriculture link across Asia and Latin America, perhaps because of the lower percentage of HIV prevalence and lower share of the population in agriculture. Yet the few studies available also suggest an increased burden on affected families. One study in Thailand found that one in three rural families affected by AIDS faced a loss of half of their agricultural production.<sup>103</sup>

Projecting the net impact of HIV/AIDS on agricultural output into the future is difficult. Some argue that the agricultural labour force will get smaller, others that high fertility rates will keep the total agricultural labour force from shrinking, but that the “quality of the labour force will be adversely affected.”<sup>104</sup> Others emphasize the possibility of substantial food gaps. More broadly, scholars recognize that AIDS makes affected households more vulnerable to more frequent and severe shocks. Families take years to once again stabilize their income and can often never regain their income levels prior to being afflicted with AIDS.<sup>105</sup>

Not surprisingly, the poorest households will likely be hit the hardest. Households living with AIDS face increased cash constraints because of medical and funeral costs, and lower income-earning potential. In need, these households gradually sell off their assets, beginning with small animals and inputs that are least likely to affect long term production potential. The smallest farmers become increasingly unable to produce a marketable surplus.<sup>106</sup> And as families lose their productive members, especially those possessing ownership to the household’s land, poor and disadvantaged households face even more difficulty in keeping their land.<sup>107</sup> Though entire communities suffer from the impacts of AIDS, women face a disproportionately higher burden. Not only are young women and girls more likely to become HIV-positive, but women also face greater

burdens when they lose their husbands to AIDS: many communities prohibit women from inheriting property, so they may lose access to land and other assets when their husband dies; many communities prohibit women from performing particular farming tasks, thus forcing them to abandon farming; and since access to credit, employment, education, and most everything else is more difficult for women than for men, women by default generally have fewer safety nets on which to rely.<sup>108</sup>

## Part 3: What Policy Agenda?

For decades, the small-scale agriculture sector has been deeply neglected across developing countries. In Bangladesh, Oxfam staff and partners identified a complete absence of policy support for poor farmers: *“a crisis of agricultural inputs, lack of coherent policy, lack of services, education and research, lack of land, absence of a fair price, lack of farmers’ organisation...”*.<sup>109</sup> In another continent entirely, in Lebanon, staff describe agricultural policy as *“carried out in a highly fragmented, disconnected manner as a low priority”*.<sup>110</sup>

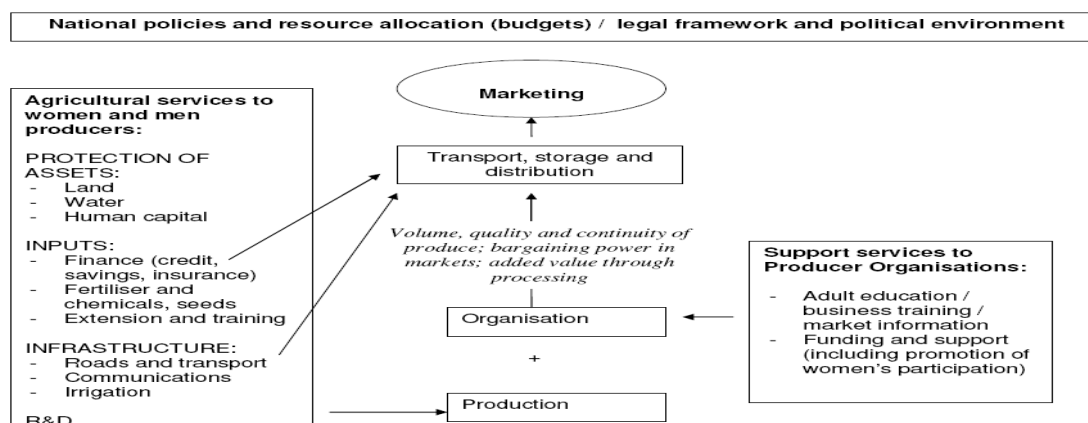
More recently, rising food prices have pushed the issue of agricultural production to the top of the international policy agenda. On the one hand the challenge for policy makers is an old one: *“there is a hard core of policy prescription that has remained virtually unchanged, including the need for applied agricultural research, productivity-enhancing technology, functional extension services, production credit and improved input systems”*.<sup>111</sup> On the other, agricultural policies will have to keep pace with the challenges outlined in Part 2, finding ways to develop agricultural systems that are more socially and environmentally sustainable. It is unclear that high prices and a new agricultural production drive will benefit small-scale farmers and marginalised producers and workers unless policy choices are made in their interests.

This chapter does not seek to prescribe such a set of policies, recognising that each locality requires context-specific actions. It does, however, aim to set out the main global debates about agricultural policy for poor rural populations, and understand how the new context for agriculture affects these policies. It looks broadly, not only at policies ‘in agriculture’ (land, credit, extension etc.), but also at policies ‘for’ agriculture (energy and water infrastructure, for example), and in particular women’s agriculture. This chapter focuses on this ‘what’ question, leaving the ‘who’ and ‘how’ for Part 4.

### 3.1 National Agricultural Policy

The diagram below shows some key elements of agriculture policy for small-scale producers in developing countries, with the following section exploring some of these issues:

**Figure 7: Key Elements of Agriculture Policy for Small-Scale Producers in Developing Countries**



## *a. Protecting assets: secure access to land and water*<sup>112</sup>

### **i. Why do land rights matter?**

Land is also one of the four most critical assets people can use to overcome poverty - as well as labour, knowledge and capital - and make land productive. Land can produce food, serve as an investment for future return, as social capital, as collateral, as the reason why labour can be employed, and even as a means of securing health and social security.

Secure access to land is an essential prerequisite for diverse land-based livelihoods, for sustainable agriculture, for economic growth, poverty elimination and equity (including gender equity), and for achieving power in markets. It is also critical for managing natural resources sustainably. More equitable access to land would reduce vulnerability to climate change while strengthening local land rights and encouraging investment in sustainable management will help farmers to adapt to climate change. For many, land can provide social security. Land also speaks to people's sense of identity and of belonging.

Control of land can be critical to women's welfare - it brings with it access to credit, and to move to higher-risk and higher-return activities. For widows and elderly women, land ownership is key to entitlement for family support. Women's land ownership also allows for greater economic efficiency - as resources are better allocated - while some studies suggest that it provides women with the confidence to request additional agricultural services. However, women are more likely to lack secure access to land. In Cambodia, for example, although it is not illegal for women to own land - the cultural norm is that they do not, and although women are responsible for farm production they have no control over the sale of land or the way it is passed to the family's children.<sup>113</sup>

Many of the challenges outlined in Part 2 pose new threats to land rights, with reports, for instance, that lack of tenure to land in India is leading to land grabbing by mafia and officials who wish to grow biofuels.<sup>114</sup> In countries where traditional forms of land tenure are still in use, lack of protection can lead to the loss of land by minority groups - in the Mekong region of Vietnam, for example, land belonging to ethnic minorities and subsistence agriculturalist under traditional systems has been appropriated in the absence of government protection.<sup>115</sup> There may even be evidence that land rights struggles are intensifying and that land-based inequality is increasing as governments grant foreign investors rights to local lands.<sup>116</sup>

People living in poverty face challenges:

- in the *security* of control over assets
- over *access* to land for individuals and groups denied land rights;
- in *fairness* of customs
- in the regulation of land markets.<sup>117</sup>

### **ii. The current agenda for secure access to land**

Security of tenure: World Bank programmes have often promoted individualised land titling through "the belief that only formal legal (and usually freehold) rights are secure enough to build agricultural growth and enable poor people to access credit."<sup>118</sup> However, this often failed to capture local land use needs, and was slow and expensive. International financial institutions have shifted their interest away from individual titling towards the registration of customary land rights to communities, groups and families.<sup>119</sup> The World Bank's approach also adjusted towards decentralisation of land administration systems.<sup>120</sup>

Tenure reforms have been underway since the mid-1990s in countries such as Burkina Faso, Mozambique and Tanzania to recognise established customary rights through

decentralised bodies in communities.<sup>121</sup> However, recognising customary rights by empowering decentralised groups – which may include local leaders and chiefs – to support them, can lead to further land rights issues. In some cases, it has led to reinforced discrimination and abuse by local elites.<sup>122</sup> Allocating decision-making power to customary systems and authorities has particularly serious implications for women’s land rights.

Other approaches to securing tenure include: improving the capacity of public sector land institutions to register land and resolve disputes,<sup>123</sup> and demarcation of the boundaries of communal land.<sup>124</sup>

Access to land: within the broad aim of improving access to land, past land policy has engaged in: land redistribution, use of market based mechanisms, imposition of land ownership ceilings, and progressive land taxes.

Market-led models of land redistribution have become more prominent.<sup>125</sup> The World Bank argues that state led reform often lead to disputes, delays, and inefficiencies. Market-assisted land reform (MALR) is being piloted in Brazil and South Africa. Proponents claim that this approach of engaging willing buyers in negotiations with willing sellers through government facilitation, grant making and ‘other supportive measures’ would provide a faster and more efficient way of conducting land reform.<sup>126</sup> This relies, however, on the willingness of landowners to sell usable land, and the ability of the poorest to buy.

Implementation and monitoring: where new land laws and policies have been passed, the challenge then becomes one of implementation and monitoring, in particular assisting with the dissemination of information that will allow people to claim their land rights. Implementation of women’s land rights in particular lags, and where women do hold title to land the land may be worth much less, or women own smaller parcels.

Indigenous land rights: indigenous land rights struggles may differ from landless peasant movements, in that the land is regarded as a ‘territory’ to which communities wish to keep their rights.

“Land rights issues are intensely political, highly complex, frequently contested, of longue durée, and one size cannot fit all. There are no quick fixes or final solutions; rather what are needed are flexible institutions and approaches which can adjust appropriately when circumstances change”.<sup>127</sup> Based on the understanding that a single land policy position would not be appropriate, Oxfam GB developed a set of broad guiding principles:

### **Box 1: Key Principles on Land and Rights**

**Justice and equity** must be fundamental considerations in all land rights work.

**Access to land and security of tenure** are necessary for people to raise and stabilise their incomes and to participate in economic growth.

**Gender equality.** Women, regardless of marital status, should be entitled to independent land rights, including an expansion of enforceable legal rights of access to and control and ownership of land and property, increased inheritance rights (as daughters and widows), access to loans, and co-registration in leasehold systems.

**Pastoralists, indigenous peoples, and common property regimes.** Oxfam believes there is an urgent need to support and defend the particular land rights of pastoralists, of indigenous peoples, and of common property regimes.

**Decentralisation.** In principle the allocation and management of land and other natural resources and reviews of land sales should be devolved to accountable and representative local structures.



**Regulating market forces.** Oxfam believes that land, like education, is something which markets do not necessarily provide well. Hence public action will often be needed to ensure that unrestricted market forces do not lead to increasing polarisation.

**Responsible foreign investment.** With regard to foreign investment in or ownership of land, there is a need for safeguards to provide more effective protection to citizens. Where land is taken from communities for foreign investment, proper and adequate compensation must be paid. Oxfam urges governments to work together more closely towards developing common policies in this key area. Compensation should also be paid and due processes followed when land is acquired by the state.

**Accessible, transparent debates.** Because the land rights issues currently being debated will have long-term social consequences, they are too important to be determined largely by small numbers of politicians or officials in private. Oxfam strongly believes that in the public interest there must be genuinely transparent and fully participatory debates on land. It is only as a result of such debates that a national consensus can emerge and workable laws be created which balance equity with efficiency, justice with expediency.

**Solutions.** Finally, Oxfam fully recognises that there are no easy solutions to today's complex land problems but believes that popular participation in the decision making process is a fundamental prerequisite to finding just solutions.

However, land rights cannot be viewed in isolation, and must be considered alongside other factors such as access to inputs and services (see below).

It is also impossible to separate land use off from water use, although the two are often treated and governed as separate issues. In most developing countries, agriculture uses more than 80% of available water resources, but often very inefficiently – estimates are that more than half the water diverted for agriculture does not contribute directly to food production as intended.<sup>128</sup> Water allocations face increasing competition from urban and industrial use, and increased scarcity due to over-use and, in some areas, the impacts of climate change. With non-irrigated agriculture accounting for 60% of production in developing countries, policies supporting better land management, water harvesting and agricultural techniques will be necessary. For those with irrigation, small-scale technologies can make a difference to water-use productivity.<sup>129</sup>

### ***b. Providing inputs and services***

In general, the provision of inputs and services to remote, rural areas is a highly risky enterprise, often responding to seasonal demand.

#### **i. Access to and control of finance<sup>130</sup>**

Although finance is principally associated with credit, there has been an increasing recognition of the importance of savings and insurance mechanisms to the rural poor. In general, the development of the financial sector in rural areas has lagged behind urban areas.

The major shift in finance provision took place from the 1980s, when previous modes of supply, through co-operatives and state-run institutions at concessional rates, were abandoned and replaced with market-based approaches. A lot of innovation has taken place – a wider range of financial instruments, use of new technologies such as cash machines, agribusiness providing credit through contract farming and out-grower schemes, and an explosion in microfinance initiatives (see below). However, the financial needs of rural poor communities remain mostly unmet, and, if anything, banks have become more risk-averse. For poor farmers, the informal sector remains the dominant (and expensive) source of finance. Community-owned village banks and co-operatives are often constrained from providing finance due to lack of funds.

Globally, women receive an estimated 1% of all agricultural credit.<sup>131</sup> Literature addressing women's access to credit and finance is mostly anecdotal, while statistics

rarely clarify the difference between gendered access to, and control of, credit. Yet while women may receive credit, they may have it appropriated by husbands or kin.

There are several 'structural' reasons for the failure to improve delivery to rural areas, related to the fact that service provision to rural areas is more difficult and expensive (populations are dispersed and infrastructure lacking) and because of the complex nature of financial demands in the agriculture sector (covering a diverse range of needs, varying by season, and with high degrees of risk). Potential borrowers lack collateral, physical access to branches and may be excluded due to illiteracy.

The importance of reducing risk – weather-based risks or marketing-based risks – to encourage access to finance has also led to renewed interest in insurance (although insurance schemes already have a long history in some developing countries). The relationship between insurance and finance more generally can be mutually reinforcing: insurance schemes can act as collateral for finance, while the provision of finance improves the ability to pay insurance premiums. Insurance can help farmers offset their losses, preventing recourse to informal coping strategies in the face of shocks, and encourage greater risk-taking in production. When catastrophe strikes on a mass scale, insurance can offset against large-scale crop failure. However, only 13% of agricultural insurance premiums globally are paid in the developing world and only 2% in Africa. The advantage of weather-based schemes is that they can be verified independently (preventing fraudulent claims) and have low administrative costs, although so far these schemes have been largely applied to monocultures of commercial crops.<sup>132</sup>

**Note on Microfinance:** Microfinance is only a sub-sector of finance as a whole, but one in which Oxfam is heavily involved in implementing in its livelihoods programme work. With the liberalisation of banking sectors in many countries, commercial interest in micro-finance has also recently begun to emerge. However, Microfinance Initiatives (MFIs) have not generally offered farm credit, in particular for crops and on-farm investment such as irrigation (as the financial products are too expensive and too inflexible). Instead, where initiatives have developed in rural areas, they have focussed on small-scale livestock, fruit and vegetable trading, small-scale processing and livelihoods diversification programmes. Initiatives are taking place to modify fixed repayment schemes to account for farming cycles and improve returns from investment in farming, but these are still scarce.

#### **ii. Sharing technological innovation: Access to extension and training**

Debates around technology development focus on many of the questions raised in Part 2 – in whose interests technology is being developed, and whether new innovations are simply out of the reach of the rural poor. Debates around the delivery of technology – through extension and training – rightly concern ways to move to more 'bottom up' modes of farmer involvement in technology development, access to and use of technology, and recognition of innovation undertaken by farmers themselves, outside the realm of formal research institutes. There are good examples of this from many Oxfam programmes:

In the Pacific, the Melanesian Farmers First Network (MFFN) has pioneered a participatory approach to extending new technologies through farmer-to-farmer extension, i.e. having farmers teach farmers. It has then attempted to introduce this method to government extension services, by employing 'lead farmers' to work with agricultural extension officers.<sup>133</sup>

In the South of Peru, the Peasant Association of Cusco has introduced 17 new technological innovations – including new irrigation systems, solar dryers for flour processing – using farmer-to-farmer techniques that have overcome linguistic and educational barriers.<sup>134</sup>

Delivering extension and training services for women farmers often drops off the policy agenda. Only 5% of women have access to rural extension.<sup>135</sup> Where technology does reach women, it is often designed, distributed and used by men, and may be written in official languages which women do not speak or read. Studies show that the presence of women extension agents improves participation of women in extension activities and that women are more likely to adopt farming practices being practiced by other women, rather than men.<sup>136</sup>

### *c. Infrastructure development*

While not a major focus of this paper due to the lack of direct relevance to Oxfam's work, it is worth noting the vital importance of transport infrastructure to the provision of inputs and marketing of produce. In Africa, road density averages 63km per 1000 square km – or 40 times less than India in 1973.<sup>137</sup> Infrastructure in agriculture also encompasses irrigation, which produces about two-fifths of all crops in developing countries. The lowest proportion of land under irrigation is in sub-Saharan Africa, followed by Latin America.<sup>138</sup>

### *d. Accessing and gaining from markets*

As well as improving productivity, farmers need expanded access to markets and to be able to 'add value' in those markets, capturing greater shares of the value chain – such as household processing of cassava roots in order to sell the milk .

In terms of accessing markets, gendered differences in marketing are significant for policy-makers: while women play a huge role in crop production, the percentage of women selling produce is much lower. Women's produce may be perishable and produced in small quantities, forcing sales and affecting credit repayments - whereas men are able to store their crops. Women may have less control over transport and less freedom to move than men. Men are most often wholesalers and intermediaries, whereas women's route in to these activities often entails significant time and risk-taking.

### *e. Supporting Producer Organisations*

Organisation is perhaps the key to survival for many small farmers, in particular in competitive global market chains. POs can serve several functions:

Economies of scale, allowing producers to supply market chains that demand continuous volumes of produce, and where the transaction costs of sourcing from numerous small producers would be too high for buyers

Greater bargaining power in markets

Facilitating access to agricultural services

Providing a common platform for farmers to exert greater political voice. In recent years there has also been a growing movement towards PO federation at a local, national and in some cases even at a supra-national level<sup>139</sup>, and, partly as a result, POs have become increasingly involved in public policy processes.

Yet many governments have struggled to recognise POs as independent economic actors and have continued to see POs as policy instruments, as non-commercial actors or even as a political threat.<sup>140</sup> Legislation governing cooperatives and POs has been slow to change in many developing countries and continues to give governments considerable influence if not control over cooperative activities through various bureaucratic requirements. In many countries, the legislative framework for POs does not provide the necessary rights and incentives for POs to compete equally in the market (e.g. not recognising them as commercial entities). In Armenia, for instance, it is impossible to create cooperatives because there is no law that defines and regulates what a cooperative is.<sup>141</sup>

Supporting Producer Organisations also entails improving access to business services, often poorly developed in rural areas, as high transaction costs and risks deter significant private sector investment.<sup>142</sup> Most services that offered are frequently unaffordable or are not tailored to the specific needs of smallholder-owned enterprises. Here again, NGOs frequently try to fill the gap but may create unsustainable models of service provision rather than developing the capacity of local service providers.

### **Box 2: Hot Topic: Is a Second Green Revolution desirable or possible?**

International and national policy-makers have increasingly converged around the idea of an 'African Green Revolution', with significant funding commitments by private actors such as the Gates Foundation to this end.<sup>143</sup> The need to increase productivity in Africa is clear – food production per head is 10% less than in 1960.<sup>144</sup> With rising food prices at a time of slowing growth in grain yields per hectare has also added impetus to the drive to boost productivity. However, there are very different conceptions in different proposals about how to rectify this, both in relation to techniques to increase productivity (through fertilisers / high yielding varieties, low input systems, cash crops?) and in relation to the institutional models for delivery (through demonstration plots, village-level demonstration, universal subsidies, targeted subsidies, bulk purchase and supply?).<sup>145</sup>

Direct replication of the Asian 'Green Revolution' experience is certainly not possible in the current African context. Parts of Africa face poor and stressed soil and water conditions and periodic droughts, all of which will be exacerbated with climate change. Asia had much better educated labour force, strong and effective state intervention, an effective global team of well funded research institutes doing local field trials and adaptation, fewer crops on which to focus, and higher population densities which facilitated technology diffusion and adoption. Africa, in contrast, faces low literacy rates, weak or nonexistent public sector support for agriculture (including none of the policy space on which Asian governments relied), depends on numerous crops, and has vast areas that are sparsely populated, making service delivery more difficult.

There is also universal recognition of the environmental costs of the Asian Green Revolution and the need to avoid them in a second-wave push for new productivity increases. The heavy use of pesticides caused damage to human health and increased pest resistance, while heavy fertiliser applications run off into sub-soil waters and aquifers, contaminating drinking water. Any new 'Green Revolution' will need to explore ways to ensure it is a 'Green Green Revolution'.<sup>146</sup>

### **3.2 Linking Agricultural Investment and Protection Against Risk / Social Protection**

Poor communities face growing risk and vulnerability, driven by factors such as environmental degradation, climate change and HIV/AIDS. In turn, there has been a growing interest in 'social protection' programmes by donors and civil society, both as a means of reducing vulnerability to risk and protecting 'chronically poor' populations.

The constituency for these programmes is broad, aiming to support the livelihoods of subsistence farmers (who are often net consumers), but also increasingly to support producers to move to higher risk / higher return activities, and perhaps eventually move out of agriculture altogether. In other words, the spectrum of social protection interventions ranges from a 'welfare' or social assistance programme through to risk management programmes. The aims, correspondingly, range from providing relief, alleviating risk, limiting the impact of shocks and allowing for stronger recovery after shocks have occurred.

The bulk of Social Protection work focuses on transfers, but even though this investment is oriented outside of the agriculture sector, it can be important to increasing agricultural productivity in communities where vulnerability to risk (or even the perception of risk)

makes households averse to investment in new opportunities and leads to distress sales of assets, which undermines future productive investment. In addition, interventions traditionally seen as the realm of agriculture policy - weather insurance or input subsidies - may be seen as “socially protecting” where they foster resilience to shocks, protecting farmers and labourers, producers and consumers, and enabling them to invest and spend productively.

These programmes raise design and implementation issues that are not covered in depth here, the classic example being the provision of food aid at times of harvest, which can depress local markets.<sup>147</sup>

### ***3.3 Supporting Adaptation to Climate Change - Reducing Climate Risk***

#### **a. What is adaptation in agriculture and why is it important?**

Adaptation as defined more broadly is the ‘ability to respond and adjust to impacts of changing climate conditions in ways that moderate harm or risk or exploits beneficial opportunities’.<sup>148</sup> Irrespective of mitigation measures, adaptation will be necessary.<sup>149</sup>

In agriculture, this may mean a combination of practices such as altering the timing and location of crops, diversification, better water management, investment in new technologies e.g. drought-resistant crop varieties or changing the location of agricultural activities altogether. Many of the issues already touched on as crucial to the agricultural policy agenda going forward – e.g. research into sustainable practices, access and control of land, insurance – will also be important to enhance resilience in the face of climatic shocks. Accounting for women’s unpaid work, and the barriers to women’s participation in adaptation measures, but also harnessing women’s specific knowledge of maintaining biodiversity, such as the conservation and domestication of wild edible plant seeds, will be important to the design of adaptation policies.

Agriculture has traditionally been a highly-adaptive sector, and adaptation can be successful. Estimates from Mali show that by 2030 adaptation through trade, changes in crop mix and the use of heat-resistant varieties could offset welfare losses by at least 90%.<sup>150</sup> Many of the practices that support adaptation in agriculture are environmentally sustainable practices that also assist mitigation efforts.

#### **b. Public policy to support adaptation is needed**

Farmers are already adapting, but face major challenges in reducing their vulnerability, especially given the rate and magnitude of potential future climate change impacts. A World Bank study of agriculturalists in 11 African countries found that farmers were already planting different crop varieties at different times. Farmers perceived the main barriers to adaptation to be lack of credit and savings. Farmers that enjoy free extension advice and are close to markets are also most likely to adapt. More experienced farmers are likely to perceive climate changes and more educated farmers more likely to respond to climate change.<sup>151</sup> Farmers in Kenya, Senegal and Ethiopia also pointed to lack of access to water as a major constraint.<sup>152</sup>

Given the time lag for farmers to be able to adopt new practices in agriculture, it is imperative that efforts to overcome these barriers commence as soon as possible.

#### **c. Very few developing countries are prepared for adaptation in agriculture**

Mainstreaming climate into national development policy is important to avoid conflict between the two policies, such as agricultural technologies that are too expensive for farmers or development policies that increase vulnerability to climate change (such as promoting shrimp farming, and destroying mangrove forests).<sup>153</sup>

There has been little progress in mainstreaming adaptation within existing poverty alleviation efforts:

A recent World Bank analysis of PRSPs concluded that while the linkages were made to climate change in the documents, there was little in-depth analysis.<sup>154</sup>

Many countries have carried out projections and impact assessments, but few have begun consultation processes to look at adaptation options and responses.<sup>155</sup>

In Tanzania, a National Communication to the UNFCCC (United Nations Framework Convention on Climate Change) identifies adaptation measures such as increasing irrigation, introducing low water-use crops, investing in water conserving technologies. However, these measures are considered in isolation and are highly capital-intensive, which may limit their feasibility.

One study in Bangladesh shows that while the stakeholders in agricultural policy making recognised the importance of integrating climate change, those actually involved in providing agricultural extension services did not.<sup>156</sup>

Currently, the major driver of climate change mainstreaming has been the preparation of National Adaptation Programmes of Action (NAPAs) in LDCs. In Bangladesh, the preparation of its NAPA has meant that suitable adaptations have been identified and prioritised across the sectors, however firm commitments are yet to be made across all sectors to incorporate adaptation into existing plans.<sup>157</sup>

Some major barriers to mainstreaming are:

- Getting the relevant information in a format that can be used by policy-makers and communities.<sup>158</sup>
- Having the institutions in place to ensure climate change adaptation is considered across all sectors, and not restricted to a single ministry or fragmented across ministries without any coordination. Ministry of Finance engagement is usually critical.
- Ensuring the inclusion of all stakeholders - including labourers - in participatory policy-making and the empowerment of communities to be involved in decision-making, and that governance is effective.
- International funding.<sup>159</sup>

Beyond the national level, adaptation at the local level will be essential. Vulnerability is often localised, while the ability of local communities to respond is a key determinant of climate change. So-called 'Community-Based Adaptation' aims to increase communities' understanding of climate risk and factor it into their activities.

### *3.4 What Role for Sustainable Agricultural Practices?*

#### **Box 3: Practices and Technologies defined 'Sustainable Agriculture'**

A small number of practices and technologies have come to define 'sustainable agriculture', all of which imply better use of existing resources and technologies:

**Integrated pest management**, which uses ecosystem resilience and diversity for pest, disease, and weed control, and seeks only to use pesticides when other options are ineffective;

**Integrated nutrient management**, which seeks both to balance the need to fix nitrogen within farm systems with the need to import inorganic and organic sources of nutrients, and to reduce nutrient losses through erosion control;

**Conservation tillage**, which reduces the amount of tillage, sometimes to zero, so that soil can be conserved and available moisture used more efficiently, but can also rely on heavy herbicide use

**Agroforestry**, which incorporates multi-functional trees into agricultural systems, and collective management of nearby forest resources;

**Water harvesting** in dryland areas, which can mean that formerly abandoned and degraded lands can be cultivated, and additional crops grown on small patches of irrigated land owing to better rainwater retention;

**Livestock integration** into farming systems, such as dairy cattle, pigs, and poultry, including using zero-grazing cut and carry systems<sup>160</sup>.

The largest ever survey of sustainable agriculture initiatives in developing countries puts the number of small farmers involved in transitions towards sustainable agriculture at 8.64 million. Sustainable farming takes place on over 3 per cent of the total cultivated area in developing countries.<sup>161</sup> Climate change may further accelerate the spread of sustainable practices. For example 'zero tillage', introduced to minimise soil erosion, also sequesters up to 15 tonnes of carbon per hectare.<sup>162</sup>

The survey found some remarkable results, including a mean increase in yields of 79 per cent, contravening the widespread supposition that sustainable agriculture has to involve sacrificing high yields.<sup>163</sup> Relative yield increases were higher at lower yields, indicating greater benefits for poor farmers. The benefits go beyond yield changes, however, to include improvements in the water table, reduced soil erosion and increased agrobiodiversity.

However, some of these agricultural practices increase demand for labour, which can induce reverse migration, and some can reduce labour demand (such as zero-tillage in Brazil). The relationship with the labour and skills required is often overlooked in the drive to provide technical 'packages' to farmers. Where labour is scarce, such as in HIV-affected area, or where women suffer a particularly heavy double load of agricultural and domestic labour, increasing labour requirements may impede adoption by farmers.<sup>164</sup> Practices such as leaving land fallow take time and may require extensive land – which may not work for the economy of a small-scale farming household.

In addition, it is unclear whether micro-level experiences promoting sustainable agriculture (including organics) can be scaled up and whether yield gains would be sufficient to meet current and future food requirements.

Any transformation in agricultural systems is likely to be more costly for the poorest farmers, requiring more of their time and cash. In some contexts, however, – such as Bangladesh rice farmers – sustainable technologies have been adopted by small farmers first. And there may be trade-offs – land may be closed off for rehabilitation, meaning that farmers have to sell their livestock.

The polarised debate between 'sustainable' and 'intensive' practices obscures the fact that any 'one-size-fits-all' approach is unlikely to be appropriate, especially in Africa where soils are highly variable and may require biological techniques as well as increased fertiliser use (given that fertiliser use on the continent is currently so low).<sup>165</sup>

Technical considerations aside, the political conditions have yet to emerge for a widespread use of such practices. Few countries have given explicit national support to sustainable agriculture, although in countries such as India and Brazil there has been state-level support for practices such as zero-tillage and water management.<sup>166</sup> Environmentalists have long called for the major international agriculture research organisations to invest more in sustainable practices.

#### **Box 4: What about organics?**

Organic agriculture is one type of sustainable agricultural practice. It is a system of farming that aims to reduce reliance on external inputs, whether chemical or organic, as far as possible. The FAO recently concluded that organic yields are comparable to conventional yields, although yields do decline initially when converting from high-input systems. When converting from low-input systems case studies report increased yields and incomes (due to lower spending on inputs). There are also non-financial benefits, such as less energy usage,

the conservation of natural resources, health protection and empowerment of local farmers through the use of local knowledge and inputs.<sup>167</sup> The same questions raised by the use of sustainable agricultural practices – about labour use and scaling-up - also apply to organic farming (see above).

### *3.5 Easing the burden of HIV/AIDS*

The WDR on agriculture states that “There is tremendous scope for agricultural policy to be more HIV-responsive”. Since the actual impacts of HIV/AIDS on agriculture are so highly context-specific, the real challenge for donors and policy makers is to “recognize the diversity of impact, to learn from local circumstances, and to aim to create large-scale responses that can cope with the impact.”<sup>168</sup>

While recognizing some diversity, UNAIDS suggests several measures to that could ease the burden of AIDS on agricultural households across Africa:<sup>169</sup>

Indirect programs, such as training, credit, and access to seeds for rural families need to have special measures to benefit AIDS-affected families since they are often less able to take advantage of these services.

Promote income-generating activities that are low in input and labor use, close to home, and with a quick cash turnaround (examples include bee-keeping, mushroom cultivation, seed gardens, and poultry).

Help transition from labor intensive crops such as sugarcane or tea to less labor intensive crops like sweet potatoes.

In some cases, help the adoption of labor saving technologies for domestic tasks, particularly water fetching, firewood collection, and food preparation.

In places with very high incidence, where HIV/AIDS may even depress local demand for goods and services (and thus for labor), then skip labor-saving technologies and focus instead on cash transfers to promote employment.<sup>170</sup>

### *3.6 Supporting Decent Work and Human Rights for Labourers*

In most places agricultural labourers are an ‘invisible labour force’. The aim of policies to support their livelihoods could potentially be very broad, including policies to support job creation and education to upgrade skills. Some of this is touched on in the paper in different sections – job creation under the Private Sector and enterprise development, for instance. (see Part 4) Here the focus is that arising from Oxfam’s Labour Rights work, namely ensuring that conditions of decent work and fair employment prevail, principally in the formalised, waged labour sector, which pertains particularly to non-traditional agricultural export industries.

#### **a. Respect for Core Standards by Governments**

The table below sets out criteria for guaranteeing the right to decent work and respect for the human rights of agricultural labourers based on a number of ILO conventions, many of which are yet to be enshrined in government legislation. Even in the US, farm workers are not covered under federal labour legislation (the National Labor Relations Act), which means they receive no protection as regards the right to organise and bargain collectively, overtime laws, child labour laws, unemployment insurance laws and worker compensation laws.<sup>171</sup>

#### **Figure 8: Criteria for Guaranteeing the Right to Decent Work and Respect for the Human Rights of Agricultural Labourers**

1.1 Compliance with national laws and ratified international laws - which ever are better on employment conditions and workers’ rights
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1.2 Employees are provided with legal contracts
1.3 Employees are informed about their rights and there is a mutually agreed and documented system for dealing with complaints and grievances
1.4 Subcontractors meet the same criteria
1.5 Freedom of association and right to collective bargaining (as established in ILO conventions) are guaranteed. Where this is restricted by law, employers should facilitate alternative independent means of free association and collective bargaining.
1.6 No child labour (as established in ILO conventions)
1.7 Health & Safety rules are applied (according to ILO convention 155 on Occupational Health and Safety)
1.8 Fair wages and compensation rules:  Workers must be paid wages at least equivalent to the legal national minimum wage or the relevant industry standard, whichever is higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income.  In instances of piecework, the pay rate must permit the worker to earn at least the minimum wage or relevant industry standard (whichever is higher) during normal working hours and under normal working conditions.
1.9 Working hours are not excessive: they comply with national laws, and benchmark industry standards, whichever affords greater protection. In any event, workers shall not on a regular basis be required to work in excess of 10 hours per day. Overtime shall be voluntary, shall not be demanded on a regular basis, and shall always be compensated at a premium rate.
1.10 No discrimination on the basis of: race, caste, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation, age, marital status, working status (i.e. temporary, migrant, seasonal), HIV/AIDS (in accordance with ILO conventions)
1.11 No forced labour (as defined in ILO conventions)

The ILO's 'Decent Work' agenda comprises four elements: Core Labour Standards (no child labour, no forced labour, no discrimination, and freedom of association and collective bargaining), a clear employment relationship (contracts, no multiple subcontracting), social protection and social dialogue.

The importance of understanding 'decent work' from a gendered perspective is illustrated through debates about piece rate wages. Piece rate wages presume that the worker has time and energy to dedicate to intensive production. Most women suffer time poverty which makes it more complicated to muster the resources (time and energy) to dedicate to intensive production. Further, they receive less pay for the same work, so they have to already work harder to just get the same wages.

#### **b. Enforcement**

Where agricultural workers are not recognised in national labour legislation, enforcement will be key. Only 5 per cent of the world's 1.3 billion agricultural workers are estimated to have access to any labour inspection system.<sup>172</sup> Even in the US, many laws that cover immigrants and undocumented workers, such as the federal minimum wage or health and safety laws, are not enforced.<sup>173</sup>

#### **c. Ending the Promotion of Deregulation**

The promotion of deregulation by international donors and institutions – particularly the IFIs – has contributed to the erosion of decent working conditions and abuses of human rights. To change this policy prescription, two sets of beliefs will need to change:

That job creation and growth (whatever the working conditions) are a route out of poverty. Instead, OI has argued that poorly-paid work under poor conditions does not allow people to escape poverty. Other facets of employment aside from wages may be equally as important to women's livelihoods – e.g. stability of income and health and safety benefits. Growth on the back of such conditions is socially unsustainable, and can contribute to the perpetuation of poverty through the generations – e.g. girls are taken out of school to take care of the household while their mothers are at work.

That low wages and poor working conditions are necessary to compete in global markets. The corollary of this is the belief that labour 'protections' will discourage employment. The evidence is mixed, with some research showing that increased wages can raise both productivity and profits.<sup>174</sup> More credible, evidence-based research is needed to demonstrate that employment models based on 'decent work' can be a win-win solution.

Of course, labour is employed on all varieties of production units. The wages and working conditions of wage-dependent smallholder farmers are rarely taken into account in poverty reduction programmes – where most work is self-employment or informal hiring it is hard for the state to intervene. Any agenda for this group may be an incremental one - as labour markets in rural areas develop, with less labour remaining in rural areas and employers finding it hard to get labour, demanding better labour standards may become easier.<sup>175</sup>

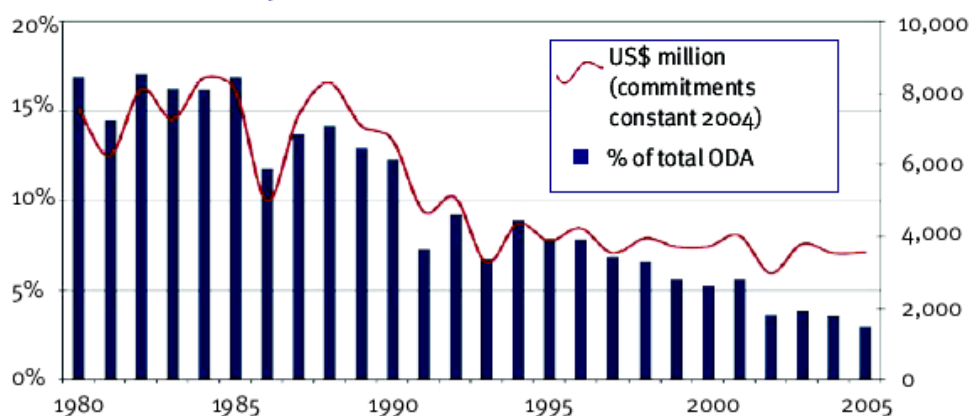
### 3.7 More and Better Investment

There is investment in agriculture – agri-businesses and retailers invest huge amounts. Harnessing this investment for poverty reduction is the subject of the Private Sector section of Part 4. But government and donor spending on agriculture has declined dramatically, in part tied to the withdrawal of state functions, but also a reflection of shifting development priorities and perceived poor performance of agricultural projects. Increased investment – of good quality, supporting poverty-reducing interventions – underpins all the elements of a contemporary agricultural agenda outlined above.

#### a. Declining Volumes

Official Development Assistance (ODA) to agriculture almost halved between 1980 and 2005. Overall ODA commitments rose 250% over this period, so agriculture also experienced a proportional decline: from 17% of ODA in the 1980s to close to 3% in 2005.<sup>176</sup> Japan and the US are the donors that currently provide the largest shares of aid to agriculture.<sup>177</sup>

**Figure 9: Official Development Assistance (ODA) to Agriculture, 1980-2005**



Source: OECD International Development Statistics – Creditor Reporting System

Developing country government expenditure has also seen downward trends. In a study of 44 developing countries, public expenditure on agriculture between 1980 and 2002 increased in real terms but declined as a share of both agricultural GDP and total government spending.<sup>178</sup> Overall, government spending on agriculture stood at 11% of all total government spending in 1980, and had declined to 7% in 2002. Many African countries undertook a commitment to increase agriculture's share of spending to 10% in the 2003 CAADP Maputo declaration, however, in 2005, only 6 out of 24 governments had met the commitment.<sup>179</sup>

The additional global public investment required in agriculture to meet MDG1 is estimated at \$14 billion for all developing countries, and between \$3.8 and \$4.8 for sub-Saharan Africa.<sup>180</sup>

### *b. Where does the money go?*

There have been declines in donor support for agricultural inputs, services and education among most agencies with the exception of Japan, which has continued to provide inputs such as fertilizers and seeds in aid.<sup>181</sup> Crop-focused projects have also declined, as has enthusiasm for large-scale engineering projects. In contrast, support for agricultural policy and administration, as well as land resources rose.

### *c. Investing in Women*

As highlighted throughout the sections above, women face unequal access to land, to agricultural services and markets, and discrimination in labour markets. Why does this matter? As already argued, it is critical to upholding women's rights, to the achievement of gender equity, to food provision, reducing vulnerability and household poverty reduction. Equal gender relations can also raise the productivity of investment in agriculture (in jointly-run households). More equally distributed bargaining power between spouses increases the amount of help women obtain from their partners in return for the help they give to their partners, and increases what is known as the households 'allocative efficiency' (i.e. maximises the net benefit for both parties). It follows that investing in factors that affect women's bargaining power – such as access to and control of land and agricultural services – will tend to be good for the growth of the agricultural sector.<sup>182</sup>

In order to make recommendations for policies that would assist women to overcome this gender divide, it is necessary to be clear about what a supportive policy environment would look like. It is suggested here that this be based on three 'pillars' (see also Annex 1, which outlines the assumptions that underpin these recommendations):

A policy agenda is needed that supports women's access to and control of assets and agricultural goods and services (land, finance and inputs, technology and extension, marketing).

A policy agenda is needed that ensures decent work for women, taking into account the 'double burden' of formal and domestic work

A simultaneous agenda may be required for investment outside of agriculture in technology, transport and infrastructure (e.g. child care provision or compensation) to reduce the household time burden for women, meaning that they can access labour market opportunities, educational opportunities and take up leadership positions. It could also incorporate supporting women's organisations and capacity building.

Collection of gender-disaggregated data will also be a crucial first step in devising policies that support gender equity, including measuring women's time use. At present, under-counting of women's work in official surveys is routine.

Underlying this is the need to engage in challenging discriminatory attitudes and beliefs.

### **3.8 The constraints of trade and investment rules**

The focus of this section has been primarily national policies to ensure agriculture delivers for poverty reduction, equity and sustainability. However, the capacity of national governments to support agricultural production, value-added and trade and to regulate foreign investment will be constrained by international trade rules. These broadly cover IP and services (affecting technology use), services and investment (affecting capital for agricultural development) and goods, competition and procurement policy (making local markets work).

It is also the case that regional integration will alter the context for national policy-making. This is not currently explored here.

## Part 4: Who and How? Effecting Change in Agricultural Policy

The focus on policies in Part 3 omits a crucial component of Oxfam's work on agricultural livelihoods: the understanding that changing power relations and supporting farmers and workers to claim their rights is fundamental to harnessing agriculture for poverty reduction, equity and sustainability. A key actor in ensuring that this happens will be the state, and this section sets out why a more pro-active state in the agriculture sector will be necessary going forward, but also the challenges to it faces. This is not to neglect the private sector's role: the section also examines the multiple ways in which the private sector engages with poverty reduction efforts and means of effecting change in the private sector. Finally, this chapter describes some of the new institutional structures that have emerged as agriculture and food systems have evolved, and the actors that have acquired increased prominence, such as consumer bodies.

### 4.1 New Roles for a New Context

#### *The Role of the State*

So many of the debates in this paper – how to uphold workers rights, deliver agricultural services, develop research relevant to the interests of poor farmers – are bound up with the role of the state in the development process. Yet, as outlined in Part 2, the state in many places has had its functions truncated and its capacity weakened by structural adjustment programmes. As in debates about the provision of public services, 'the role of the state' is perhaps one of the most crucial policy debates, although the nature of agriculture – with production ultimately a private activity – raises different considerations to other sectors.

Most major institutions have now recognised the 'market failures' of the 1980s and 1990s, calling for a re-think. However, few are prepared to contemplate a return to the interventionist policies of the past. The World Development Report on Agriculture, although circumspect about state intervention in many circumstances, does concede "the judicious use of input subsidies, to underwrite the risks of the adoption of new technologies and achieve economies of scale to reduce input prices".<sup>183</sup> Such interventions are often seen as last resort (cases of severe market failure where institutional innovations by the private sector are unlikely), but at the same time this is increasingly recognised to be the situation, particularly in areas of sub-Saharan Africa.

Despite the softening of the rhetoric, the default position of promoting deregulation and the withdrawal of the state remains strong in many countries. The lack of a working consensus on this issue not just a matter for theoretical debate, it has real costs. In Malawi, contradictory and inconsistent views about appropriate agricultural policy have contributed to increased food insecurity.

The debate centres around the appropriate 'public-private boundary' for different functions. The table below stylises two sets of views about the role of the state – that of the 'New Institutional' school, a group of academics based in the UK that challenge many of the premises of liberalisation, especially in remote, rural areas where risks are high, and the current liberalisation model (recognising that liberalisation has had different forms in different eras).

**Figure 10: The theoretical debate: New Institutionalists vs the Liberalisers**

State Function	New Institutionalists	Current Liberalisation Model
Providing macro-economic stability	Yes	Yes
Providing public goods: infrastructure (e.g. roads, communications), public goods for climate change adaptation (such as climate information)?	Yes	Yes
Research & Extension services	Yes	Theoretically some role, where research is perceived as a public good. In practice, increasingly commercialised and state funding has declined.
Input markets	Government may need to intervene, even if does not participate directly, to reduce transaction costs	No, unless to avert food crises (as in the Malawi case)
Output markets and processing	Government may need to intervene, even if does not participate directly, to reduce transaction costs, and may need to support prices in rain-fed areas where there are more fundamental problems.	Information and regulation: Provides market and price information, legal framework, quality control
Credit provision	Government may need to intervene, even if does not participate directly, to reduce transaction costs	Support to institutional innovations, e.g. contract farming

*Source: based on Dorward, Kidd, Morrison & Urey (2004)*

While the appropriate mix of interventions should be determined in a case-by-case basis in consultation with government, donors and civil society, there are strong arguments to be made that only the state can reduce the costs of operating in remote areas, kick-start private sector activity, and often has an important role in guaranteeing the reduction of poverty and inequality which – if there is no immediate business case for it – is not the primary mandate of private sector actors. This may require a far more proactive role than simply ‘facilitating’ market activity. In Indonesia, for example, civil society groups report that “in conflicts between communities and corporations on land issues, the government usually takes the role as facilitator rather than offering regulations that control and reduce the negative impacts of multinational activity”.<sup>184</sup>

The belief in the importance of the role of the state is also grounded in the history of various agricultural growth episodes. During the Asian Green Revolution of the 1970s an ‘activist’ state intervened to provide local research and extension and investment in road infrastructure, but also in the early stages stabilised output prices and subsidised input supply and credit. Once farmers have adopted new technologies, however, and volumes of credit, inputs and produce supply have built up, governments may be able to withdraw and let the private sector take over.

### **Box 5: Hot Topic: What role for input subsidies?**

The input subsidies debate is perhaps the most obvious contemporary battleground concerning the role of the state in agriculture in developing countries. Such subsidies were common in the 1960s and 70s, and are being promoted again particularly by African governments. Proponents of liberalisation argue that the subsidies incur huge fiscal costs, encourage corruption, damage private sector development, are difficult to phase out and are difficult to target (meaning they reach the better-off not the poorest farmers). However, given the failure of liberalisation to support particularly the development of food staple markets, there is little alternative for agricultural development in high-risk, remote rural areas, and in countries where inputs are imported and expensive. In Malawi, for instance, prices are particularly high due to the cost of transporting low volumes from the coast and then to rural areas. Such subsidies can 'kick-start' private sector development depending on how they are managed. 'Sustained but not indefinite' subsidies were a feature of the Asian green revolution, and assisted in improving the development of rural markets, lowering food prices and raising wage rates and inducing long-term structural growth in agriculture (with exceptions). In today's context there are additional reasons for using subsidies - as a form of social protection for those with the most vulnerable livelihoods, as well as a measure to help combat declining soil fertility in Africa (in combination with biological methods, see Part 3). A major rationale for Malawi's fertiliser/seed subsidy scheme has been national food security. One-fifth of the value of the 2007 harvest has been attributed to the fertiliser and seed inputs.

In an era of high fertiliser prices, subsidies may well be necessary to subsidise the costs for small farmers, but the financial ability of governments to provide them will also be eroded. And, in the long run, a singular focus on input subsidies will need to be complemented with the provision of other agricultural services to ensure equitable, sustained agricultural growth.<sup>185</sup>

### *The Governance Conundrum*

The arguments for liberalisation have often been driven by the fact that much state provision was inefficient. There is no doubt that the situation was in many contexts unsustainable and needed reform. The answer is course not to give up on the state, but to reform and enhance its support for agriculture, small farmers and agricultural labourers. But there are some enormous challenges to doing so, not least as the state is weakest in the poorest countries, and particularly in agriculture. Major efforts are still needed to improve the quality of government intervention, and reduce the risks of political abuse and corruption.

#### *Challenge 1: Weak Ministries of Agriculture*

Ministries of Agriculture have been hard-hit by the decline in financial resources and impact of Structural Adjustment Programmes. In Tanzania, one-third of Ministry staff were 'retrenched' in five years, with budgetary savings withdrawn from the agriculture sector altogether.<sup>186</sup> But their functions have also been eroded by decentralisation, direct budget support (which has placed increased power in Ministries of Finance), and, particularly in sub-Saharan Africa, the impact HIV/AIDS on agricultural professionals. 'Re-imagining a developmental state with a strong Ministry of Agriculture is a critical challenge'.<sup>187</sup> The form and function of these Ministries will not be uniform, however, and will depend on the political dynamics of government.

It is worth reiterating that some of the challenge in delivering increased investment for agriculture will be in convincing Ministries of Finance, now powerful arbiters of public finance, of the beneficial returns from the sector. Some of the challenge will also be to achieve cross-ministry collaboration, especially in delivering a policy agenda for women in agriculture, which could necessitate changes to water infrastructure or social policy.

#### *Challenge 2: State Bias*

The state, as established above, has a pivotal role to play in relation to the private sector: kick-starting the equitable provision of agricultural services in some contexts, and regulating private actors to conform to social and environmental standards. However, in some contexts, state policies are skewed towards the interests of big business, jeopardising support for poorer and more marginalised groups. Even in the US, corporations and large agri-business interest have tremendous influence on US policy-makers, and policy tends to favour large-scale agriculture and large agri-business interests – enabling a low-cost business model while doing little to regulate anti-competitive practice or ensure responsible corporate behaviour.<sup>188</sup>

### ***Challenge 3: Ensuring Decentralisation Enhances Accountability***

Decentralisation implies a number of different ways of transferring roles and responsibilities from central to local government level and is now common practice in developing countries. It may limit the remit of central Ministries of Agriculture – in the Philippines, for example, Department of Agriculture policies are only directly transmitted to the regional level, while from the provincial level down policy implementation is dependent on local bureaucracies and politics.<sup>189</sup>

Decentralisation should improve access to information, meaning that policy-making is more sensitive to local needs and increases accountability. This has been the case in some contexts – in Tajikistan, for instance, decentralisation has apparently been conducive to “better cooperation between the authorities and local communities that can ensure a better response to local communities’ needs.<sup>190</sup>” However, powerful elites may control local programmes. Indonesian civil society groups report that “increased regional autonomy has so far not led to a true empowerment of communities, but rather to the emergence of a few “small local rulers” which, it appears, do not act in the best interest of the communities but rather “sell out” resources of which communities are in need<sup>191</sup>. Or states merely practice ‘de-concentration’, where functions are moved to the local level, but accountability remains to the centre. The WDR concludes that there are currently few decentralisation experiences that have been good for agriculture.

Fostering broader participation in agricultural policy-making, working with local government or supported budget monitoring work – which Oxfam has done in the agriculture sector in Uganda, Indonesia and Brazil – are all ways to support improved governance in the sector. But a number of other interesting initiatives are also underway:

The Maputo declaration – the commitment of African governments to devote at least 10% of their budget to agriculture and rural development - has triggered a number of initiatives to track volumes of agricultural spending in Sub-Saharan Africa.<sup>192</sup>

The FAO has initiated a project to produce a guide for civil society on how to use budget work to advance the right to food, which will be tested in Guatemala, the Philippines and Uganda.<sup>193</sup>



### **Box 6: Holding Donors and Governments to Account through Budget Tracking**

Budget tracking surveys in the agriculture sector can be a useful way of highlighting if and how public spending is responding to the needs of poor farmers. It can be a useful tool to demonstrate the difference between women's contribution to agriculture and their share of public investment, surveying women's needs and comparing them with what is provided for by particular policies, and whether it is received. Such surveys can help bring political pressure on governments, by publicising whether the government is implementing its policy promises. But it can also be a way to support governments to monitor their own resources – a capacity they may lack. To do both of these things, budget tracking surveys must always be part of a well-planned advocacy strategy which will disseminate and publicise survey results. Finally, budget tracking exercises can strengthen civil society's networks' understanding of the policy issues and their capacity and credibility to influence policy.

On the other hand, budget tracking exercises can be expensive and hard to do. Agricultural data is often lacking and agricultural outputs and activities are harder to monitor than other sectors. It may require a large, well-organised network of organisations to carry out the surveying, compile the report and deliver the advocacy. It can be an overly-technical way of highlighting policy problems when, if it is clear where the problems are, a well-targeted media piece may do just as well. And the policy reforms needed in the agriculture sector may not only relate to public spending, but also require legal or trade reforms.<sup>194</sup>

## **4.2 Empowering Farmers: Producer Organisations (POs)<sup>195</sup>**

Following adjustment and market liberalisation from the 1980s, a new type of independent, producer-driven PO has begun to emerge in many parts of the world, often in place of former state-driven, cooperative forms of PO.<sup>196</sup> Most research on POs to date is in the form of individual case studies and it is difficult to find aggregate data on PO development at a country or regional level. There are, however, indications of a significant increase in the formation of new POs over the last 2 decades: Between 1982 and 2002 the number of villages with a PO rose from 21% to 91% in Burkina Faso.<sup>197</sup> Between 1990 and 2005, the number of cooperatives increased from 29,000 to 50,000 in Nigeria.<sup>198</sup> Between 1966 and 1998 in India the total number of cooperative societies increased from 346 thousand to 488 thousand, involving 65% of all rural households.<sup>199</sup>

Over the last decade new and existing POs have become increasingly commercially-oriented, and adopted alternative legal forms to the traditional cooperative, including associations, self-help groups, or private companies, often in an explicit attempt to avoid state interference associated with the traditional cooperative sector. Looser forms of organisation have also emerged such as 'Producer Networks', which coordinate to brand and distribute their products.<sup>200</sup>

At the same time, a number of studies and anecdotal evidence indicate a relatively high failure rate of POs, suggesting a relatively high turn over of POs in some parts of the world.<sup>201</sup> Many new POs collapse because weak markets, management and capacity mean that they are unable to deliver better services to their members; meanwhile, market liberalisation, restructuring and weak management has led to widespread collapse of traditional marketing cooperatives in many traditional cash crop markets.

A significant proportion of new POs seem to be concentrated in high value product markets, often for export. There are relatively few examples of POs operating successfully in domestic staple food markets in most developing countries.<sup>202</sup> The main reason seems to be that POs offer no competitive advantage in low-value, informal markets comprised mainly of small transactions. As many cash crops are managed by male rather than female household members the focus on high value cash crops

frequently also involves a gender bias. It also means that POs tend not to help the most poor and vulnerable of small farmers.

POs face enormous external challenges, especially as they now need greater managerial capacity to access more demanding markets:

**1. Raising finance and accessing support services.** Supermarkets and exporters rarely have any interest in investing in PO capacity to meet required standards unless there are no other sourcing options and only a small percentage of POs receive the necessary assistance from NGOs or the state.<sup>203</sup> Where POs are not recognised as commercial entities they face difficulties accessing formal loans. Even where states introduce supportive policies, state capacity to provide effective support to POs is often very limited. Although POs and support for POs has featured increasingly prominently in donors' public policy papers in recent years, this has not necessarily translated into a significant increase in the quantity and quality of support provided to Pos.<sup>204</sup> Most multi-lateral support for POs is provided indirectly as a component of larger rural development and public sector reform programmes implemented through state agencies.

**2. Most POs have little influence on public policy and the market environment.** While new PO federations provide an opportunity for POs to promote and defend their members' interests, most POs lack the capacity and resources to engage in public policy work without external funding.

POs also face key internal challenges:

**1. Weak capacity:** POs usually suffer from weak internal capacity at every level, including the skills and capacity of leaders, managers and individual members. Support to develop PO capacity is largely provided by donor-funded NGO activities, but is provided on a patchy and often unsustainable basis to a relatively small proportion of POs with limited scope for scaling-up on a national level.<sup>205</sup>

**2. Weak governance:** many POs encounter considerable challenges in their internal governance and struggle to develop accountable and transparent leadership and management that represents members' interests fairly. Women are frequently excluded from decision-making, as a result of cultural norms, time constraints or legal constraints. Understanding these barriers to participation is essential to fostering increased inclusion.

Donors seeking new non-state actors following market liberalisation have increasingly turned their attention to POs both as lobbying organisations and collective marketing organisations. With the possible exception of the Dutch government, none have developed a coherent PO support strategy beyond a rather nebulous commitment to promote POs, although USAID has been the main donor behind a number of large and relatively successful PO development programmes.

Although donors are not advocating support for POs as a solution to all rural development problems, there is a tendency to expect much more from POs than they can reasonably deliver. Where markets are weak, for example, POs cannot be expected to make up for the lack of infrastructure.

POs also suffer from conflicting support agendas: PO sponsors, such as NGOs or external donors, may see POs as a means of promoting social development objectives and may even approach POs as a convenient means of delivering development assistance to rural communities.<sup>206</sup> This approach may undermine POs' business and foster dependence on external grants.

The way in which POs are supported is also important to their sustainability. There are no easy answers, but building on groups where trust is already established may be a better strategy than creating new organisations in a top-down fashion.

POs and their contribution to rural and economic development often remain invisible in public policy debates or are treated as a stand-alone issue. Yet it is clear that the development of POs is tied to debates about the provision of infrastructure and agricultural services more broadly (as well as the development of specific funds and business services). PO development also affects, and is affected by, power dynamics in market chains. Governments (with donor support in the form of policy space and proactive investment) may need to intervene in markets to rebalance the playing field in favour of smallholder POs.

### 4.3 Empowering Workers: Labour Unions and Workers' Organisations

While poor pay and working conditions make it all the more important for agricultural waged workers to be organised and represented, those in the worst situation, especially women and undocumented labourers, are least likely to be so. Part 3 examines how freedom of association and the right to collective bargaining are a crucial part of a policy agenda to enhance worker welfare. This section explores some additional factors preventing effective worker organisation, and looks at alternative forms of organisation.

Less than 10% of casual workers are organised in trade unions or other workers organisations.<sup>207</sup> The high mobility of agricultural workers, particularly casual and migrant workers, makes an effective organisation very difficult. Other factors which have traditionally limited the level of organisation among agricultural workers (such as remoteness), are now compounded by the apparently widespread practice of shedding permanent workers, coupled with the increasingly frequent recourse by employers to labour contractors, as well as the increasing reliance on out-growers for the production of some crops such as sugar and tea. Women are particularly marginalised, constrained by the time pressure of their household role, potentially excluded because of social and cultural norms, and less able to access capacity-building initiatives that would support their participation and leadership.

#### *New trends in worker organisation*

Unions and farmer associations tend to focus on regular workers. Traditionally, unions based their membership on a stable employment relationship and wage earnings – which does not apply to casual workers. In the US, organisations focussed on low wage workers have focussed on the delivery of direct services, rather than structural change through organising, while low wage workers are often divided on racial lines, and sceptical about working with unions. Few women are in leadership positions in the labour movements and policies and practices that could benefit women are rarely incorporated into their agendas.<sup>208</sup>

In some places, trade unions are beginning to expand their activities beyond the protection of regular workers (see examples in the footnotes from Tanzania, Philippines and India), and cooperate with other organisations to do so.<sup>209</sup> But increasingly it is community unions and grassroots organisations that have been filling the gap. Such non-traditional organisations should be represented at relevant industry fora and have their interests included. Alternative forms of collective bargaining are taking place – in the US, for instance, a tri-partite agreement exists between growers, buyers and the Farm Labour Organising Committee that led to improved pay and conditions for workers in Ohio. A special commission, the Dunlop Commission, was created as a neutral body to resolve disputes and oversee the agreement, comprising of high-level representatives from the agricultural industry, farmworkers union and public.<sup>210</sup>

ILO is also looking at community-based approaches to organizing agricultural workers together with other 'workplace based' methods to increase access to these workers. They

encourage members to engage in 'community unionism' with other elements of civil society including local women's groups, consumer groups, health groups, human rights groups and political organizations.

### *Tools for instituting workers' rights*

*Codes of conduct:* Codes of conduct have emerged to address criticism by NGOs about poor labour standards. However, they are voluntary and, as in the case of all voluntary codes, should not substitute for national policy and legislation. The UK's Ethical Trade Initiative is one example of such a code, which brings together NGOs, companies and trade unions. According to a study assessing the impact of the implementation of codes of conduct on workers, in most of the supply sites codes had a positive impact on health and safety, on working hours, on wages and on the use of child labour. Codes of conduct seem to have less impact in relation to freedom of association, discrimination, regular employment and harsh treatment. Permanent and regular labourers seem to benefit the most from the ethical trade initiative.<sup>211</sup> Codes of conduct are important in a context of a low level of unionisation but should not replace trade union activity.

*Framework agreements:* Unlike codes of conduct, framework agreements are negotiated agreements between an international trade union organisation and multinational enterprises. They normally cover core labour standards, focussing on building organisations for workers so as to empower them to enforce workers rights themselves. The Coalition of Immokalee Workers in the US has set framework agreements with the fast food companies Yum!Brands and McDonalds that include and enforceable code of conduct ensuring higher wages and improved working conditions.<sup>212</sup>

## **4.4 Empowering Consumers**

Consumers (and shareholders of companies) are an increasingly important constituency for influencing change. In the developed world, consumer concerns increasingly focus on perceived attributes of food such as health, environmental, animal welfare, or equitable labour benefits. A growing share of these products is 'ethical' goods: "contemporary consumers are using their purchasing to express wider political and social concerns. The rise of Fair Trade and organics is just one example of this.

In developing countries, as alluded to in Part 2, patterns of consumption are also changing. Oxfam's campaigns have already been targeting domestic consumers to create viable markets for small farmers and jobs for labourers – Honduras has run a consumer campaign to develop a home market for Honduran produce.

In terms of consumer organisation, there may have been some increase in consumer associations in developing countries as a whole, and consumer associations tend to be stronger in Latin America and Asia. However, relatively low levels of education and literacy rates are barriers to effective consumer participation and campaigns run by consumer organisations tend to focus on food quality and safety aspects. In Africa, nevertheless, there are 28 consumer organizations registered with Consumer International (CI), and although their main focus is building consumer education, there is increased interest in the social and environmental impacts of consumer choices.<sup>213</sup>

## **4.5 Harnessing the Potential of the Private Sector**

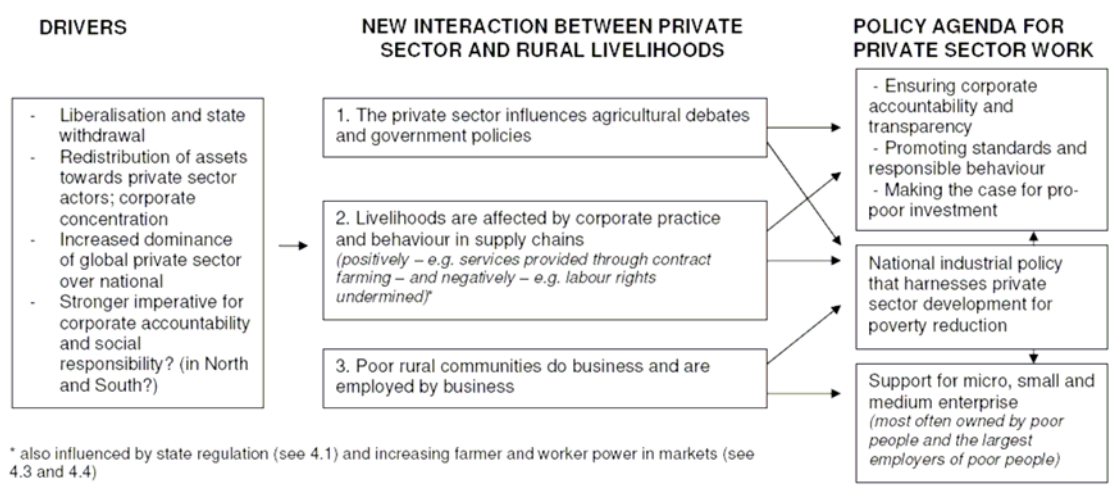
The 'Private Sector' encompasses a vast range of privately-owned, for-profit organisations, which includes farmers themselves! With farmers' organisations examined separately, here, unless stated, 'private sector' includes both domestic and global enterprises.

1. Business has huge potential to alleviate poverty and inequality, when it invests in capital and knowledge locally and supports fair and decent employment and contracting:
2. By improving access to products and services
3. Generating and protecting incomes and investment (e.g. through wages and taxes)
4. Generating employment
5. Developing skills and human resources
6. Providing infrastructure (institutional and physical)
7. Raising business standards and practices
8. Building local business
9. Supporting technology development and transfer<sup>214</sup>

However the economic and social damage done by unfair trade rules, the impact of market failures, the effects of market concentration and the abuse of labour standards in many industries in many cases reflect the interests of powerful private sector actors. In many context described in the country responses to Oxfam’s consultation paper on agriculture, private sector ‘monopolies’ or ‘cartels’ prevent the development of fair and equitable markets for small, marginalised farmers (keeping markets restricted and failing to pass on the true gains)<sup>215</sup>. Business, as well as government, needs to be accountable to the ordinary women, men and children affected by their actions.

The following sets out the number of ways in which the private sector now interacts with rural livelihoods and the possible policy agendas this implies:

**Figure 11: Number of Ways in which the Private Sector now Interacts with Rural Livelihoods**



Women face many obstacles to entering the private sector. The control of many businesses in rural areas is linked to women’s lack of access to assets, ownership rights, training, information, and markets needed for them to take on leading roles in economic activities. However the effects of women’s entrepreneurship have been shown to include increased employment opportunities for women, contribute to more equitable distribution of income, and lead to positive development impacts.

### *Promoting corporate accountability: The role of voluntary initiatives*

Voluntary corporate initiatives are no substitute for national policy and legislation, but such initiatives can assist in promoting best practice and improving minimum standards. Ultimately, however, voluntary codes require no enforcement and incur no penalty for violation.

#### **Box 7: Oxfam Engagement in Agriculture related Multi-Stakeholder Initiatives**

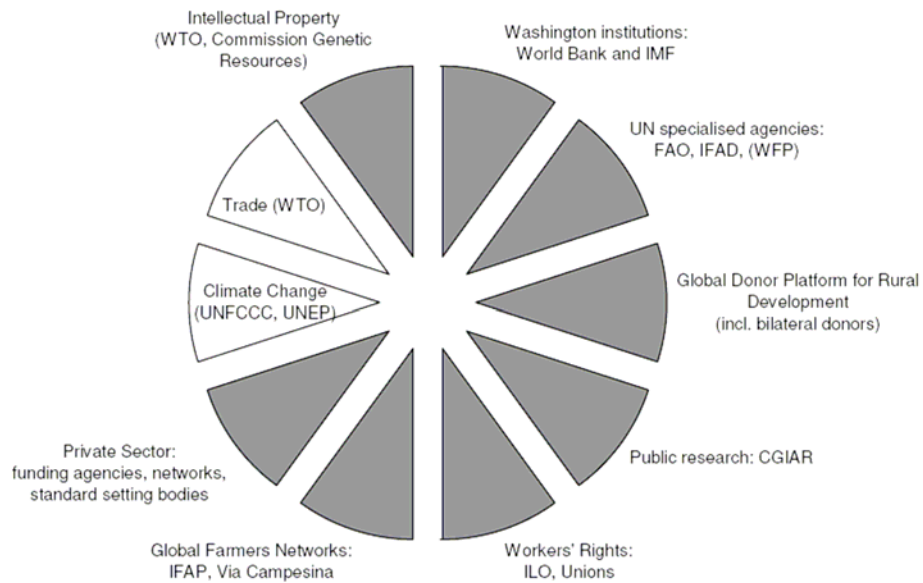
Sector and multi-stakeholder initiatives (MSIs) began to emerge in the late 1980s and have increased at an accelerating pace, but with mixed success. They represent a significant development in the field of corporate responsibility, a shift from general principles to sector-specific criteria and programs.

Oxfam currently engages in a number of MSIs including several relating to agriculture: The Sustainable Food Laboratory (SFL), Better Cotton Initiative, Roundtable on Sustainable Palm Oil, The Common Code for the Coffee Community, Roundtable on Sustainable Biofuels and Ethical Trading Initiative – Smallholder Group. Oxfam's role varies between facilitating links between companies and small farmer organisations, building capacity for more sustainable cultivation practices by creating new markets, engaging with companies to highlight the threats their activities pose to rural livelihoods and helping design standards according to social criteria as well as promoting and monitoring their implementation.

## **4.6 Global Bodies and Networks**

Numerous global bodies have influence over issues affecting agriculture (as the diagram below shows). The global agenda related to agriculture is one of multiple, often overlapping, processes. A number of agreements affect the exchange and conservation of genetic resources, for example – including, but not confined to, the TRIPs agreement in the WTO. Unlike the trade or climate change agenda, there is no one multilateral process.

**Figure 12: Multilateral Processes**



The power of donors varies in different contexts. For donor-dependent countries, particular bilateral and multilateral donors may be very influential in setting agriculture policy. In Honduras, for example, 60% of the agricultural budget comes from international donors<sup>216</sup>. The impact of the move towards sectoral approaches and budget support frameworks in agriculture is not clear, although it is notable that the most important bilateral donors to the agriculture sector – Japan and the US – remain strongly wedded to delivering aid through donor projects.

This remainder of this section provides a preliminary analysis of three institutions neglected in this draft so far, but critical to change in the agriculture sector:

**The World Bank:** The World Bank is important both as a funder of rural development programmes (and the largest single donor to agriculture in Africa), and because of its ‘knowledge power’, or role in shaping development ideas (such as market-led approaches to land reform, labour market deregulation and the ‘rolling back of the state’, to name just a few). Funding to agriculture and rural development through the Bank’s ‘soft lending’ facility, or IDA, (directed to the poorest countries) has increased four years in a row, but still remains well below levels of the 1970s and 80s, while the number of agricultural technical advisors employed by the Bank has diminished.<sup>217</sup>

In terms of the Bank’s own spending, the Independent Evaluation Group of the Bank has proposed a study on Bank-wide assistance to agriculture, scheduled for 2009. In its pilot evaluation of 2007, it states that ‘any limited lending has been fragmented’ while the Bank’s ‘internal institutional environment’ has not been supportive of agricultural development.<sup>218</sup>

**CGIAR:** CGIAR is a strategic partnership of countries, organizations and private foundations. It aims to reduce poverty in developing countries through scientific research to foster sustainable agricultural growth. The CGIAR supports 15 international Centres which collaborate with national agricultural research systems, civil society and the private sector in the fields of agriculture, forestry, fisheries, policy, and environment. However, some argue that there has been a shift in CGIAR activity: from long term

investment to short run payoffs, driven by the preferences of individual donors.<sup>219</sup> The three largest donors are the World Bank, USAID and DFID.<sup>220</sup> As the importance of R&D in agriculture continues to grow given climate change and environmental degradation, and with the declines in public R&D spending, the CGIAR could have a potentially important role to play.

**FAO:** The Food and Agriculture Organisation of the UN has a broad remit, with a strong expertise on a wide range of issues related to hunger, agriculture, trade, environment and rural development. FAO's regular budget has been reduced by 26 percent in real terms since 1994, however. Its sister agency IFAD (International Fund for Agricultural Development), is also a funder of agricultural programmes and strong advocate of rural development.



## Annex 1: A Gendered Lens on the Harnessing Agriculture for Development research report

The authors have sought in this paper to mainstream a gendered perspective across the issues, where possible, rather than treat gender as a separate 'add-on'. However, it was felt useful to draw this analysis together in one place, highlighting the totality of the messages and assumptions relevant to our work on gender and agriculture.

Of course, the way the messages and assumptions set out below play out in different contexts will vary, and not all of these considerations will have the same relevance to different countries, or even localities.

THE QUESTION	THE GENDERED QUESTION	THE GENDERED HYPOTHESIS...	...BASED ON A PARTICULAR UNDERSTANDING ABOUT WOMEN'S ROLES AND RESPONSIBILITIES
1. Why Agriculture?	Why Women's Agricultural Livelihoods?	<p>Women are often among the more vulnerable in society, and their agricultural livelihoods are more precarious</p> <p>If agriculture can reduce poverty and act as a catalyst for economic growth for women, it can help reduce their poverty and overcome gender equality - ensuring their rights are upheld</p> <p>There is added value in investment in women's agricultural livelihoods in terms of:</p> <ul style="list-style-type: none"> <li>Poverty Reduction</li> <li>Agricultural Productivity</li> <li>Gender Equity</li> <li>Food Security</li> <li>Natural Resource Management</li> </ul>	<p>Women face a disproportionate 'time burden' because of the roles they play in the household and community, as well as their 'productive' role as farmers and labourers – but this household role can also be vitally important to a family's poverty and food security</p> <p>Women may play a different 'productive' role in the household to men, e.g. being responsible for food crops or home-grown crops (although this may change with male out-migration), or participating in waged work, e.g. in the non-traditional agro-export industry</p> <p>Social and cultural norms (including attitudes and beliefs) constrain women's economic and political participation and</p>

2. Why Now?	What is Happening Now that is Affecting Women Working in Agriculture?	<p>Current changes that threaten rural livelihoods disproportionately affect women, increasing their vulnerability. Women may be likely to be more excluded from potential opportunities in this new context.</p> <p>Women's role in agriculture is changing: women account for an increasing share of the waged labour force globally and, in some regions, an increasing share of labour on their own farms</p> <p>Some changes in 'rural worlds' have occurred because of an unequal context for women, e.g. comparative advantage based on the use of flexible female labour</p>	leadership
3. What Policy Agenda?	What Policy Agenda is Needed to Deliver for Women's Agricultural Livelihoods?	<p>A policy agenda is needed that supports women's access to <u>and control of</u> assets and agricultural goods and services (land, finance and inputs, technology and extension, marketing)</p> <p>A policy agenda is needed that ensures decent work for women, taking into account the 'double burden' of formal and domestic work</p> <p>A simultaneous agenda may be required for investment outside of agriculture in technology, transport and infrastructure (e.g. child care) to reduce the household time burden for women</p> <p>Collection of gender-disaggregated data is necessary, including measuring women's time use</p>	

<p>4. Who and How?</p>	<p>What Needs to Happen for Policy-makers to Deliver for Women's Agricultural Livelihoods?</p>	<p>Institutional actors involved in policy that affects agricultural livelihoods do not recognise the importance of women's agricultural work</p> <p>Women themselves are under-represented in these institutions, and the constraints to their representation are not factored in</p> <p>In addition, women may be systematically denied rights to voice, e.g. to organise as workers or in producer organisations</p>	
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## **Annex 2: Background papers commissioned for this research report, available on request.**

- Busse, S. 'Agricultural waged labour - a review', Oct 2007
- King, R. 'Rural Livelihoods Diversification: A Literature Review', Background Paper for Oxfam GB, 2008
- Penrose-Buckley, C. 'Public Policy Brief on Producer Organisations', Sep 2007
- Walker, D. 'Women in agriculture - a review of trends and statistics', Sep 2007
- Panman, X. 'Brief: Volumes of Aid to Agriculture', 2007
- Panman, X. 'Brief: Land Rights and Land Reform', 2007
- Panman, X. 'Brief: AGRA', 2007
- Panman, X. 'Brief: Malawi fertiliser subsidy', 2007
- Panman, X. 'Brief: Consumer power', 2007
- Panman, X. 'Brief: Nano-technology', 2007
- Panman, X. 'Brief: The Future of Food Prices', 2007
- Emmett, B. 'Agriculture Budget Tracking', Nov 2007

## Notes

- <sup>1</sup> Or those living on under \$1 a day (IFAD, 2001)
- <sup>2</sup> World Bank, 2007
- <sup>3</sup> Lipton quoted in New Economics Foundation 'A Long Road to Hoe', 2006
- <sup>4</sup> World Bank, 2007
- <sup>5</sup> IFAD Strategic Framework 2007-2010
- <sup>6</sup> FAO 'Women and sustainable food security' at: <http://www.fao.org/SD/FSdirect/FBdirect/FSP001.htm>
- <sup>7</sup> Hurst et al., 2005
- <sup>8</sup> See, for example, Rigg J, 2006. 'Land, farming, livelihoods, and poverty: rethinking the links in the Rural South'. *World Development*, 34(1), 180-202
- <sup>9</sup> World Bank, 2007
- <sup>10</sup> Davis et al., 2007. Note: data in this paper were obtained through direct correspondence with the principal author, and therefore where data have been updated since publication, there are discrepancies between the more recent figures presented here and those presented in the published FAO paper.
- <sup>11</sup> *Eastern Europe*: Albania (2005), Bulgaria (2001); *Africa*: Ghana (1998), Madagascar (1993), Malawi (2004), Nigeria (2004); *Latin America*: Guatemala (2000), Ecuador (1995), Nicaragua (2001), Panama (2003); *Asia*: Bangladesh (2000), Indonesia (2000), Nepal (1996), Pakistan (2001), Vietnam (1998).
- <sup>12</sup> Deshingkar, 2005
- <sup>13</sup> Ellis, 2004
- <sup>14</sup> In Guatemala, an estimated 70% of remittances are spent on household consumption, while only 10% of rice farming households with migrant members in the Philippines invest in agriculture, and then they only use 16-20% of their remittance income to do so (Guatemala and Philippines Oxfam response to OI consultation on this research report, 2008).
- <sup>15</sup> See World Bank, 2008 and King, 2008 for further discussion.
- <sup>16</sup> Oxfam America's response to OI consultation on this research report, 2008
- <sup>17</sup> Deshingkar, 2005
- <sup>18</sup> In the Philippines it has been shown that the contribution of non-farm employment has been inversely proportional to distance from the capital even within the relatively short distances of its neighbouring regions (Estudillo and Otsuka, 1999)
- <sup>19</sup> World Bank, 2007
- <sup>20</sup> The ILO defines 'waged work' as "The women and men who labour in the crop fields, orchards, glasshouses, livestock units and primary processing facilities to produce the world's food and fibres. They are employed on everything from small and medium-sized farms to large industrialized farms and plantations. They are waged workers because they do not own or rent the land on which they work or, usually, the tools and equipment they use. Agricultural workers work for some kind of "wage", which can include payment in kind in an employment relationship, be it with a farmer, farming or plantation company, or agricultural contractor".
- <sup>21</sup> The ILO reports 170,000 agricultural workers killed every year. See ILO, 2003
- <sup>22</sup> See King, 2008
- <sup>23</sup> See David Walker's review for Oxfam GB 'Women in Agriculture – trends and statistics', September 2007.
- <sup>24</sup> IFPRI 'Women: the key to food security', <http://www.ifpri.org/pubs/ib/ib3.pdf>
- <sup>25</sup> Philippines Oxfam response to OI consultation on this research report.
- <sup>26</sup> 'Halving Hunger: It Can Be Done', UN Millennium Project Task Force on Hunger, 2005

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<sup>27</sup> Kasryno, 2004

<sup>28</sup> Occupied Palestinian Territories Oxfam response to OI consultation on this research report, 2008.

<sup>29</sup> OGB Aim 1 Strategic Framework

<sup>30</sup> Examples from Oxfam Australia's response to OI consultation on this research report.

<sup>31</sup> See Paul Collier's comments on <http://blogs.ft.com/wolfforum/2008/04/food-crisis-is-a-chance-to-reform-global-agriculture/#comment-11083> for an opposing view

<sup>32</sup> World Bank, 2007

<sup>33</sup> Nagayets, 2005

<sup>34</sup> *Ibid*

<sup>35</sup> For more detailed arguments, see 'The Future of Small Farms: Synthesis Paper', Hazell et al., at [http://www.odi.org.uk/plag/resources/workingpapers/0611\\_futureofsmallfarmssynthesis.pdf](http://www.odi.org.uk/plag/resources/workingpapers/0611_futureofsmallfarmssynthesis.pdf)

<sup>36</sup> 'Small is Fairly Beautiful', *The Economist*, 17 April 2008

<sup>37</sup> International Institute of Environment and Development, 2008

<sup>38</sup> In the Philippines average farm size fell from 3.6 hectares in 1971 to 2 in 1991; in India from 2.2 hectares in 1950 to 1.4 in 1995-96 (Nagayets, 2005). Wiggins and Poulton argue that 1 hectare may be the cut off point under which farms are unlikely to generate growth.

(See [http://www.odi.org.uk/events/FutureAgricultures\\_2005/meeting\\_2dec/index.html](http://www.odi.org.uk/events/FutureAgricultures_2005/meeting_2dec/index.html)). Of course, the answer will depend on context – Oxfam Philippines cite a former policy-maker as saying only 7-8 hectare farms could be profitable (Oxfam Philippines response to OI consultation on this research report, 2008).

<sup>39</sup> Dorward *et al.*, 2004

<sup>40</sup> Prowse *et al.*, 2007

<sup>41</sup> Boyce, 2004

<sup>42</sup> Hazell and Wood, 2008

<sup>43</sup> World Bank, 2007

<sup>44</sup> DFID, 2005

<sup>45</sup> *Ibid*

<sup>46</sup> Irz *et al.*, 2001

<sup>47</sup> *Ibid*

<sup>48</sup> Other factors would include the nature of the demand and tradeability of the product. The theory is also contingent on land productivity eventually rising faster than labour productivity so that additional employment is created, and innovations to reduce the costs of production to farmers by a greater amount than the food price decreases, which act as a disincentive to production. As labour is drawn away from agriculture, wages rise and labour productivity becomes important to prevent price rises that would jeopardise growth.

<sup>49</sup> Latin America shared a similar growth rate of agriculture to Asia (2.8 percent) but, unlike Asia, did not experience any major reductions in poverty. The difference was the highly unequal incomes and access to productive assets compared to the levels across Asia (especially during the green revolution). Brazil, for instance, has had one of Latin America's highest agricultural growth rates, but only marginal progress in reducing rural poverty. Rural inequality is staggering and agricultural growth has been concentrated in an export-oriented sector of large farms that barely reach the mass of rural poor in the Northeast region.

<sup>50</sup> World Bank, 2007

<sup>51</sup> US Regional Office, Oxfam America, response to OI consultation on this research report, 2008.

<sup>52</sup> FAO, 2003a

<sup>53</sup> While this typology is not without its shortcomings, it was felt a useful way of grouping countries. Transforming countries are generally found in South and East Asia, Middle East and North Africa and urbanised in Central Asia, Eastern Europe and Latin America.

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- <sup>54</sup> Not included in the figure of 255 million people.
- <sup>55</sup> Oxfam Philippines response to OI consultation on this research report, 2008.
- <sup>56</sup> Oxfam Peru response to OI consultation on this research report, 2008.
- <sup>57</sup> Oxfam Lebanon response to OI consultation on this research report, 2008.
- <sup>58</sup> Oxfam Paraguay response to OI consultation on this research report, 2008.
- <sup>59</sup> Oxfam Indonesia response to OI consultation on this research report, 2008.
- <sup>60</sup> Oxfam Australia response to OI consultation on this research report, 2008.
- <sup>61</sup> See, for example, Oxfam International 2008 and Oxfam International 2009
- <sup>62</sup> The demand for food staples in Africa is expected to double in 15 years, so production for home consumption and local markets will remain important in ensuring household food security and reducing poverty. Even with increased liberalization which could mean higher food imports and lower food prices, most Africans live away from ports and easily accessible markets, so this direct price effect will remain very strong for some time. See Hazell, 2005.
- <sup>63</sup> Timmer, 2005
- <sup>64</sup> Readon et al., 2003
- <sup>65</sup> Minot and Ngigi, 2004
- <sup>66</sup> Oxfam Philippines response to OI consultation on this research report, 2008.
- <sup>67</sup> Anecdotal accounts from Brazil suggests subsistence farmers there were given 'free' Monsanto packages that required use of Monsanto chemicals in order for the seeds to achieve viable yields. Once the farmers had become dependent on the seeds (i.e. presumably after stores of older seeds had expired) the real price of the input packages was levied. There are also similar stories regarding Indian cotton farmers in which input packages are sold to farmers on credit, without suitable instructions, producing yields incapable of repaying the initial debt. Farmer suicide rates in India are now around 100,000 per year, prompting the government there to force Monsanto's local subsidiary, Mahyco Monsanto, to cut the price of its GM Bt cotton seeds. Monsanto argues that it now markets smaller, more affordable packages for smallholder farmers which help them avoid debt. But the unit price is most likely higher, and this marketing ploy (quite deliberately) poses a threat to traditional markets for grown seed.
- <sup>68</sup> USDA/ERS
- <sup>69</sup> FAO, 2004, p. 21
- <sup>70</sup> IFAD, 2002 and IFAD, 2005
- <sup>71</sup> World Bank, 2007
- <sup>72</sup> *Ibid*
- <sup>73</sup> In Mexico, for instance it is estimated that small-scale farmers working as waged labourers constitute approximately three-quarters of the rural workforce, some 4.8 million farmers (ILO, 2003)
- <sup>74</sup> White and Leavy., 2003
- <sup>75</sup> ILO, 2003
- <sup>76</sup> Barrientos and Kritzing, 2003
- <sup>77</sup> Dorward and Poulton, 2008
- <sup>78</sup> Hazell and Wood, 2008
- <sup>79</sup> DFID, 2004
- <sup>80</sup> World Bank, 2007
- <sup>81</sup> DFID, 2004
- <sup>82</sup> See Cline, 2007. Latest estimates are that by 2080 developing countries will face a 9 to 21 percent decline in agricultural productivity.
- <sup>83</sup> These are the most generalised conclusions that can be drawn from the latest IPCC report. The report also provides information about expected impacts under a range of temperature scenarios and over time.

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- <sup>84</sup> IPCC 4<sup>th</sup> Assessment Report, Chap 5
- <sup>85</sup> Oxfam International, 2007
- <sup>86</sup> These take a variety of forms, offsetting through investment in emissions reduction schemes (such as agro-forestry) as part of the Kyoto Protocol (the Clean Development Mechanism), voluntary carbon markets (such as NGO offsetting schemes) and independent funds.
- <sup>87</sup> World Bank, 2007
- <sup>88</sup> *Ibid*
- <sup>89</sup> *Ibid*
- <sup>90</sup> Although OGB's observations on this initiative include a) the individualistic nature of e-choupals means that benefits accrue to individuals, rather than groups. The model has not been tried (at least not by ICT) with producer groups / cooperatives 'owning' the e-choupal. b) we have no information on the effects of power relations or indeed gender relations of the e-choupals.
- <sup>91</sup> World Bank, 2007
- <sup>92</sup> Hazell and Wood, 2008
- <sup>93</sup> By the mid-1990s almost of all of the 'structural adjustment' agenda had been implemented in Anglophone Africa, but liberalisation has been slower in Francophone West Africa. CDR Policy Paper 'Agriculture in Africa After Adjustment', September 2000
- <sup>94</sup> Oxfam Philippines response to OI consultation on this research report, 2008.
- <sup>95</sup> In Tanzania, for example, prices of seed tripled compared to pre-liberalisation. It is no longer economically viable for private companies to supply seed to farms a long distance from the seed production site. Increased number of seed companies has reduced to ability of the seed certification agency to regulate for quality. Less profitable seed varieties, crucial to the food security of small farmers, are neglected. CDR Policy Paper 'Agriculture in Africa After Adjustment', September 2000
- <sup>96</sup> Ugandan coffee and Zimbabwean cotton being often cited
- <sup>97</sup> Oxfam Peru response to OI consultation on this research report, 2008.
- <sup>98</sup> Oxfam India response to OI consultation on this research report, 2008.
- <sup>99</sup> Oxfam's research with Unilever in Indonesia revealed that Unilever offered pre-financing, technical assistance, and price guarantees directly to producers of black soybeans because the market was severely supply constrained. However, for products with a readily available supply and with complex supply chains there was no business case for Unilever to offer its producers such benefits. See 'A case study of Unilever in Indonesia'.
- <sup>100</sup> Oxfam India response to OI consultation on this research report, 2008.
- <sup>101</sup> United Nations, 2004
- <sup>102</sup> *Ibid*
- <sup>103</sup> A study by UNAIDS, as cited in UN (2004), p. 64
- <sup>104</sup> Jayne et al., 2006
- <sup>105</sup> Gillespie, 2006
- <sup>106</sup> Jayne et al., 2006
- <sup>107</sup> *Ibid*
- <sup>108</sup> UN, 2004
- <sup>109</sup> Oxfam Bangladesh response to OI consultation on this research report, 2008.
- <sup>110</sup> Oxfam Lebanon response to OI consultation on this research report, 2008.
- <sup>111</sup> 'Long Road to Hoe', New Economics Foundation, 2006
- <sup>112</sup> World Bank (2008) defines three core assets as land, water and human capital. Here the focus is land, as the issue is so pertinent to Oxfam's programmes, although land productivity is heavily underpinned by water availability and use.
- <sup>113</sup> Oxfam Hong Kong response to OI consultation on this research report, 2008.



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- <sup>114</sup> Vidal, J. 'Poor but Defiant, Thousands March on Deli for Land Rights', *The Guardian Unlimited*, 25 de octubre, 2007.
- <sup>115</sup> Oxfam Australia response to OI consultation on this research report, 2008.
- <sup>116</sup> Daly and Hobley, 2005
- <sup>117</sup> From Robin Palmer, 'Oxfam GB and land rights: why does land matter and what is Oxfam doing about it?', May 2005; 'Aim 1 Strategic Framework, Overcoming Poverty and Suffering through Land Rights', April 2006; 'Last Rites for Land Rights?', February 2007
- <sup>118</sup> Security of access to land could mean security of ownership and secure access to rental markets. It is unclear what Oxfam's experience in this regard is; available evidence shows that inability to rent land can reduce useful transfers, increase 'distress' sales and cause greater land price fluctuations. See Daly and Hobley, 2005; Deininger, 2003 and DFID, 2007
- <sup>119</sup> RNR Agriculture Team, with Adams, 2004
- <sup>120</sup> Daly and Hobley., 2005
- <sup>121</sup> DFID, 2002
- <sup>122</sup> *Ibid*
- <sup>123</sup> *Ibid*
- <sup>124</sup> RNR Agriculture Team, with M. Adams, *Op cit*.
- <sup>125</sup> Haroon *et al.*, 2007
- <sup>126</sup> Swamingathan *et al.*, 1995
- <sup>127</sup> Palmer, 2005
- <sup>128</sup> IFAD, 2006
- <sup>129</sup> FAO, 2003b
- <sup>130</sup> Thanks to Alan Doran, OGB, for help with this section. Sources are 'Making rural finance count for the poor' (DFID Working Paper 2004) and 'What's wrong with microfinance?', ed. Thomas Dichter and Malcolm Harper, ITDG.
- <sup>131</sup> See IFAP <http://www.ifap.org/en/issues/historywomen.html>
- <sup>132</sup> See <http://www.fao.org/docrep/008/y5996e/y5996e02.htm> and <http://www-esd.worldbank.org/ais/index.cfm?Page=mdisp&m=10&p=2>
- <sup>133</sup> Oxfam Australia response to OI consultation on this research report, 2008.
- <sup>134</sup> Oxfam Peru response to OI consultation on this research report, 2008.
- <sup>135</sup> FAO, 2003a
- <sup>136</sup> Lahai *et al.*, 2000 ; Quisumbing and McClafferty, 2006
- <sup>137</sup> DFID, 2005
- <sup>138</sup> FAO, 2003b
- <sup>139</sup> Mercoiret and Mfou'ou., 2006
- <sup>140</sup> See for example Penrose-Buckley, 2007a; Penrose-Buckley, 2007b
- <sup>141</sup> Oxfam Eastern Europe and Former Soviet States response to OI consultation on this research report, 2008.
- <sup>142</sup> Dorward *et al.*, 2004
- <sup>143</sup> See 'Africa's Turn: A New Green Revolution for the 21<sup>st</sup> Century' at: [http://www.gatesfoundation.org/nr/downloads/globaldevelopment/Africas\\_Turn.pdf](http://www.gatesfoundation.org/nr/downloads/globaldevelopment/Africas_Turn.pdf)
- <sup>144</sup> DFID, 2004
- <sup>145</sup> See comment pieces by Andrew Dorward and John Thompson on <http://www.future-agricultures.org/>
- <sup>146</sup> See Chapter 6 'Food production and Pollution' in 'The Doubly Green Revolution', Gordon Conway, 1997, London, UK
- <sup>147</sup> For more details, see ODI, 2007a and Dorward *et al.*, 2006

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- <sup>148</sup> See IDS and Tearfund 'Overcoming the barriers', Tearfund Climate Change Briefing Paper 1, October 2006
- <sup>149</sup> However, in low-latitude, resource constrained developing countries it will be more difficult to adapt. The IPCC reports that over a 3 degree threshold in warming in tropical countries, their adaptation options will be constrained. With adaptation only effective up to a point, mitigation measures to combat such temperature increases are vital. Mitigation of agricultural emissions among small-scale producers in developing countries, however, is not a major emphasis of Oxfam's work. Tackling emissions makes least sense in this area, given that millions of people depend on agriculture for survival and that agricultural emissions are likely to be low on a per capita basis. From an agricultural perspective, given that a major cause of deforestation is 'slash and burn' by small family farmers, it is important that the drive to cut emissions does not come at the expense of small farmers' livelihoods.
- <sup>150</sup> IPCC, 2007, Chapter 17
- <sup>151</sup> Maddison, 2007
- <sup>152</sup> World Bank, 2007
- <sup>153</sup> IDS and Tearfund 'Adapting to Climate Change: challenges and opportunities for the development community', 2006
- <sup>154</sup> Stern Review 'The Economics of Climate Change', Part V Policy Responses for Adaptation
- <sup>155</sup> IDS and Tearfund, 2006
- <sup>156</sup> *Ibid*
- <sup>157</sup> *Ibid*
- <sup>158</sup> The density of weather watch stations in Africa is 8 times lower than that recommended by the World Meteorological Organisation, for a start. (Stern Review 'The Economics of Climate Change', Part V Policy Responses for Adaptation)
- <sup>159</sup> IDS and Tearfund, 2006
- <sup>160</sup> Pretty, 2006
- <sup>161</sup> *Ibid*
- <sup>162</sup> *Ibid*
- <sup>163</sup> *Ibid*
- <sup>164</sup> The debate about labour use in sustainable systems also considers the important of the timing of labour and the fact that labour costs – because of increased hiring of labour – form a larger part of farmers' financial considerations. Time spent up-front learning about new practices, however, may pay off in reduced time farming later! See Tripp, 2006
- <sup>165</sup> See John Thompson opinion piece on <http://www.future-agricultures.org/>
- <sup>166</sup> DFID, 2004
- <sup>167</sup> See Report of International Conference on Organic Agriculture and Food Security, FAO, Rome, 3-5 May 2007
- <sup>168</sup> Barnett, 2006
- <sup>169</sup> UNAIDS, 2006, pg. 196
- <sup>170</sup> Gillespie, 2006
- <sup>171</sup> Oxfam America Domestic Office response to OI consultation on this research report, 2008.
- <sup>172</sup> ILO / FAO / IUF, 2007
- <sup>173</sup> Oxfam America Domestic Office response to OI consultation on this research report, 2008.
- <sup>174</sup> Lemos, 2006
- <sup>175</sup> ODI, 2007b
- <sup>176</sup> Cabral, 2007. In the statistics of the Development Assistance Committee (DAC) of the OECD, aid to agriculture includes: agricultural sector policy; planning and programmes; agricultural land and water resources; agricultural development and supply of inputs; crops and livestock production;

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agricultural services and education; training and research; as well as institution capacity building and advice. It does not cover rural development, which is 'multi-sector aid', food aid, and forestry and fishing (since 1996). NGO aid may also be excluded since sector coding often provides insufficient detail for it to be included.

<sup>177</sup> See OECD International Development Statistics

<sup>178</sup> Fan and Rao, 2003

<sup>179</sup> [http://www.africa-union.org/root/ua/Conferences/2008/avril/REA/01avr/Pamphlet\\_rev6.pdf](http://www.africa-union.org/root/ua/Conferences/2008/avril/REA/01avr/Pamphlet_rev6.pdf)

<sup>180</sup> <http://www.ifpri.org/pubs/bp/bp003.pdf>

<sup>181</sup> Morrision et al., 2004

<sup>182</sup> Women's Economic Empowerment: Gender and Growth, 2006. Revision of published material and synthesis for DFID, November 2006

<sup>183</sup> World Bank, 2007

<sup>184</sup> Oxfam Indonesia response to OI consultation on this research report, 2008.

<sup>185</sup> See 'Rethinking Agricultural Input Subsidies in Poor Rural Economies', Future Agricultures Briefing, Jan 2008; 'The Global Fertiliser Crisis and Africa', Future Agricultures Briefing, June 2008.

<sup>186</sup> CDR, 2000

<sup>187</sup> 'What Role for Ministries of Agriculture in the 21<sup>st</sup> Century?' Cabral L. and Scoones I., Futures Agriculture Briefing, [http://www.future-agricultures.org/pdf%20files/Briefing\\_MOA.pdf](http://www.future-agricultures.org/pdf%20files/Briefing_MOA.pdf)

<sup>188</sup> US Regional Office, Oxfam America, response to OI consultation on this research report, 2008.

<sup>189</sup> Oxfam Philippines response to OI consultation on this research report, 2008.

<sup>190</sup> Oxfam Eastern Europe and Former Soviet States response to OI consultation on this research report, 2008.

<sup>191</sup> Oxfam Indonesia response to OI consultation on this research report, 2008.

<sup>192</sup> African Union has an experts' working group to produce an Agriculture Expenditure Tracking System in member countries – but this is mainly to track total government spending on agriculture – not specific outputs relevant to poverty.

<sup>193</sup> The FAO has initiated a project to produce a guide for civil society on how to use budget work to advance the right to food. Participants include right to food organizations (such as FIAN) and budget groups (including the International Budget Project), as well as organizations in three countries where the methodology will be tested—Guatemala (Centro Internacional para Investigaciones en Derechos Humanos), the Philippines (ESCR-Asia) and Uganda (Uganda Debt Network and ActionAid International Uganda). The issues chosen for tracking were expenditures directed at land reform, agricultural modernization projects, and school feeding programs. The methodology will be tested through 6-month research and analysis projects. A follow-up workshop, to assess the results and modify the methodology in line with the results, will be held in June 2008. The guide should be ready by the end of the 2008.

<sup>194</sup> Emmett, 2007

<sup>195</sup> The source for this section is a paper commissioned by OGB from Chris Penrose-Buckley entitled 'Background Public Policy Brief on Producer Organisations'

<sup>196</sup> Mercoiret and Mfou'ou, 2006; Mercoiret *et al.* 2006

<sup>197</sup> Arcand, 2004 en Mercoiret and Mfou'ou, 2006

<sup>198</sup> Research by Leuven university cited in GCGF and CIPE (2007) 'Corporate Governance and Co-operatives', Workshop Report of Peer Review Workshop, 8th February 2007, London, convened by Global Corporate Governance Forum (GCGF) and Center for International Private Enterprise (CIPE).

<sup>199</sup> Awasthi, 2001

<sup>200</sup> One example of this is 'Red Tomato', an apple growers network supported by Oxfam America.

<sup>201</sup> For example, see Ortmann and King, 2007

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<sup>202</sup> This view is supported largely by anecdotal evidence and theoretical expectations (e.g. Shiferaw *et al.* 2006; Chirwa *et al.* 2005; Hellin *et al.* 2006) rather than significant statistical analysis. But in Tanzania only around 3% of rural households are estimated to be affiliated to POs and the vast majority of these are smallholders producing cash crops, with above average farm holdings.

<sup>203</sup> Humphrey, 2004; Reardon and Flores, 2006; Balsevich *et al.*, 2006

<sup>204</sup> E.g. around 8% of World Bank (non-adjustment) agricultural investment, a small percentage of an already small agriculture (See Diaz *et al.* 2004)

<sup>205</sup> E.g. Balsevich *et al.*, 2006; Hellin *et al.*, 2006

<sup>206</sup> De Vletter *et al.*, 2004

<sup>207</sup> ILO, 2003

<sup>208</sup> US Regional Office, Oxfam America, response to OI consultation on this research report, 2008.

<sup>209</sup> Tanzania: The Tanzanian Plantation and Agriculture Workers Union (TPAWU) has been active in lobbying the government for changes in the labour legislation. Their focus has not been so much on organising casual workers, but on reducing the number of casual workers by lobbying for changes in their labour status. The new labour legislation titled The Employment and Labor Relations Act passed in 2004 and effective since January 2007 effectively abolishes casual labour. As a result any employer who has hired a labourer for an unspecified period of time without a written contract of employment is acting in contravention of this law. This will allow increasing unionization of workers which were formerly excluded from trade unions. The Sugar Workers Solidarity Network is a network of various peoples' organizations in the Philippines to support the sugar worker's struggle for land, just wages and basic rights. One member of the network is the National Federation of Sugar Workers (NFSW). They are fighting for both for wage increases and food security for agricultural workers and their families during the off-milling season for sugar farming, the so-called *tiempos muertos* (185 days per year). As a result of their campaign they managed push through the re-distribution of idle land plots at sugar estates. Farmlot components of 5 to 17 hectares of 55 to 145 hectare hacienda have to be cultivated with rice, corn, vegetables for agricultural workers consumption and utilization to increase food security during the off-milling season. SEWA is a trade union registered in 1972. It is an organisation of poor, mainly self-employed women but also covers casual and contract workers in the agriculture SEWA members have called attention to their increasing need for economic security, as work is irregular and uncertain. SEWA initiated an 'agriculture campaign' to better understand the issues, to identify the types of safeguards needed to provide economic security to agriculture workers, and to develop strategic interventions. Like GAWU, SEWA is a trade union that beyond the representation of workers offers a number of services like micro credit, vocational and training programmes and pensions.

<sup>210</sup> US Regional Office, Oxfam America, response to OI consultation on this research report, 2008.

<sup>211</sup> Smith and Dolan., 2006

<sup>212</sup> US Regional Office, Oxfam America, response to OI consultation this research report, 2008.

<sup>213</sup> Conversation with CIU's head of Africa research, for Panman, X., Brief on Consumer Power for Oxfam GB

<sup>214</sup> The Corporate Development Footprint: Corporate Contributions to Development – (*Sources:* IBLF and UNDP, 2003, Nelson 2006)

<sup>215</sup> Countries as diverse as Armenia, Lebanon and the Philippines all described how private sector monopolies disadvantaged poor producers and consumers.

<sup>216</sup> Oxfam Honduras response to OI consultation on this research report, 2008.

<sup>217</sup> in 2006 there were 17 technical experts mapped to the Agriculture and Rural Development Department in Sub-Saharan Africa, compared with 40 in 1997 ('World Bank assistance to Agriculture in sub-Saharan Africa, IEG Review, 2007, World Bank).

<sup>218</sup> IEG, 2007

<sup>219</sup> World Bank, 2007

<sup>220</sup> Heath, J., 2007

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Arabella Fraser is currently a Doctoral student at DESTIN, London School of Economics, and an independent researcher and consultant. At the time of writing, she was a Research Advisor for Oxfam Great Britain. The views expressed in the text are the result of secondary research by the author, enriched by the experience of Oxfam International staff and partners in many countries.

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This paper was written by Arabella Fraser, with significant contributions from Raquel Gomes, Oxfam America. The views expressed in the text and its recommendations are those of the author. The author takes responsibility for any errors herein.

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