

Changing Perspectives: Small-scale farmers, markets and globalisation

Sophia Murphy





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Introduction

This paper maps and summarises the debate relating to small-scale farmers and their relationships to globalised and globalising markets. It documents evolving views of small-scale farming as the process of globalisation evolves, looking at how small-scale farmers have been viewed in relation to both wider economic development priorities and in relation to food security policies. The paper also looks at how small-scale farmers have navigated these changes. The paper describes five broad narratives to describe how different actors see small-scale farmers in the context of globalising markets. The analysis also explores how the 2007-2008 global food crisis and its aftermath have challenged these narratives.

Agriculture and global food security have more prominence on the international development agenda today than at any time in the past 30 years. Whether from a production, value chain or human rights perspective, there is a growing concern from governments, agribusiness, farmers' organisations, civil society organisations (CSOs) and donors to develop new strategies, according to their particular visions and interests. This paper makes a first contribution to mapping this debate in which, following the 2007-2008 crisis, new perspectives are being developed.

Major changes during the last ten years are shifting economic and political power from a North-South axis to a South-South flow of investment and production. Rapid increases in urban populations, higher incomes and changes in consumption patterns put more pressure on natural resources to cope with economic growth in emerging countries.

The roles of producer organisations, governments and firms in making global and regional markets work better for development are all disputed. Each organisation has its own set of assumptions and recommendations about the risks and opportunities for small-scale farmers. Should producer organisations and their federations focus on rights-based approaches that recognise farmers' rights as citizens, or market-based approaches that recognise the entrepreneurial nature of smallholder agriculture? Should government revive its traditional role in the regulation of markets in the face of uncertainties in the global economy? Can international companies change their business models to include small-scale farmers in fair and equitable trading relationships? What do small-scale producers themselves want? What about their communities?

For smallholders and their organisations to position themselves and make effective choices – in other words, to build agency – in the face of this complex agenda requires knowledge and capacity to organise their interests and take effective action. But it also requires a widening and reshaping of the debate. These are the core objectives of the Knowledge Programme Small Producer Agency in the Globalised Market, coordinated by the Dutch development agency Hivos, the UK-based International Institute for Environment and Development (IIED), the Bolivia-based research centre Mainumby Ñakurutú, and a global learning network. This research is a first contribution to the realisation of these objectives.

1.1 Methodology

The paper is based on a review of selected references in the literature about small-scale farmers and globalising markets. It is informed by conversations with small-scale farmers and the people who work with them including academics, staff of development NGOs, inter-governmental organisations, and the private sector. Information was also collected during regional roundtables held in Latin America, Africa and Asia between August 2009 and February 2010. This has allowed the inclusion of the insights and opinions of small-scale farmers and their organisations, agribusiness entrepreneurs, national researchers from universities and business schools and CSOs. Rather than provide a systematic review of the literature on small-scale producers, the paper attempts a synthesis of views, providing an historic perspective of the trends and evolving views.

The paper defines three terms: “small-scale farmer”, “agency”, and “globalisation.” The analysis then focuses on how views of the market have evolved over the past 50 years, how those markets have changed (particularly as a result of globalisation), how small-scale farmers have been viewed at different points in this evolution; and, how they themselves assess risks and opportunities in today's markets. The paper clusters opinions and analytical frameworks into narratives so as to provide an overview of the different perspectives on how markets might work for – or against – small-producer interests. It concludes with some reflections on issues that have lost or gained profile after the 2007-2008 global food crisis, and suggests where the debate needs to focus now.

Three definitions

This section looks at definitions of three terms: small-scale farmers; agency; and globalisation.

2.1 Small-scale farmers

Many terms are used to refer to small-scale farmers, including smallholder and family farmer. The term small-scale farmer is used in this paper to focus on the nature of the farm's production rather than the size of the landholding, as the following definition explains.

There are an estimated 450 million small-scale farms worldwide defined by IFAD as farms of two hectares or less of land (IFAD, 2008). These 450 million farms are thought to support a population of roughly 2.2 billion people (Singh, 2009). They represent roughly 85 per cent of the world's farms. These numbers are widely cited in the literature of developing country agriculture and provide something of a baseline reference in much of the commentary.

Yet while the size of a landholding as a proxy for small-scale production is useful, it is not an all-encompassing definition. In any given rural area, there are smaller and larger farms, and, in their local or national context, a small farm might mean a dairy herd of 40 cows in Bavaria, or a corn and soybean operation of 500 or even 1,000 acres on the U.S. prairie. These farms dwarf the vast majority of farms in most developing countries. At the same time, some small farms are much more prosperous than much larger operations in the same region or country. The largest landholdings in the United States tend to be livestock operations in the west of the country. Some of these farms are also among some of the least economically successful. Moreover, small-scale production does not necessarily require land ownership. For example, dairy farming in India includes a large landless population as well as many marginal and small landholders. These two groups together own 60-80 per cent of country's livestock population (Singh, 2009). A definition based on landholding alone will leave out important groups of small-scale farmers.

Other, complementary, metrics are necessary to explain why small-scale farmers have received so much attention from development agencies. These additional metrics, in one way or another, address marginalisation in terms of geography, assets, resources, markets, information, technology, capital, and non-land assets.

Small-scale producers are often marginalised by their lack of access to decent inputs, including good quality land, smart technologies (including irrigation), and good quality seeds. Lack of access to capital markets, credit and information about both growing conditions and markets are also areas that marginalise small-scale producers. Together they limit the producers' ability to take risks, and reduce the scope for realising a profit.

Marginalisation also results from distance from markets, both to buy inputs and to sell crops and other outputs. Oxfam's research estimates that 45 per cent of agricultural communities in poor countries are more than four hours away by car from the nearest market town (Oxfam International, 2009). Lack of access to motorised transportation deepens the isolation.

Marginalisation is also linked to food insecurity. A recent literature review on marginal farmers commissioned by the NGO Concern International included the statement: "We define marginal farmers as those who are 'farming yet hungry'. These are people for whom farming is a major livelihood activity, yet who have insufficient assets to produce a surplus from their agricultural activities and whose non-farm activities are insufficiently reliable or remunerative for them to rely on market purchases for adequate food intake (Kent & Poulton, 2008)."

In fact most small-scale farmers are net food buyers, creating an ambiguous relationship to food prices: higher prices, if captured by the small-scale producer, are clearly a good thing, yet if the cost of household food purchases increase as a result, the net outcome has to be measured over time as well. If the rise in food prices is short-term and affordable, something that can be offset by more profitable sales, it has very different implications than a rise in consumer prices that pushes the household into destitution, despite possibly increased income.

All of the above suggests that small-scale farmers are both a large subset of the world's farmers and a large subset of the rural poor. Small-scale farmers and people living in poverty are overlapping categories, but are not the same. While roughly 75 per cent of the 1.2 billion poorest people in the world live in rural areas, not all of them are small-scale farmers. Nor are all small-scale farmers poor.

Understanding the heterogeneity of the category is critically important to a successful analysis of the risks and opportunities presented by globalising markets. Heterogeneity affects the degree of market orientation and levels of vulnerability to risk and competitiveness (Syngenta Foundation, 2009).

David King, Secretary-General of the International Federation of Agricultural Producers (IFAP) even suggests that the most marginal producer be excluded from a professional definition of “farming” thus:

“Small-scale farmers are not a homogenous group. There are several groups of small-scale farmers. There is one group that essentially is not even farmers – these are people that go to the forest or up in the hills, cultivate a few crops and try to stay alive. They are not farmers in the professional sense. For this group, there has to be a clear rural employment policy to find them opportunities to exit agriculture” (King, 2005).

Steve Wiggins, an agricultural economist, makes a similar point:

“... smallholder development will benefit directly probably no more than the uppermost quartile of small farmers, those with a little more land and resources than their often land-poor neighbours.” (Wiggins, 2009, p. 3).

This raises the complex issue of *viability* as a criterion for differentiating among small-scale farmers. To actually draw a dividing line between “viable” and “not viable” farmers is far from easy, as even developed country agricultural administrators can well attest to. Changing market conditions, different kinds of input support or regulatory regimes will all change the composition of the group of farmers that is viable.

While the quantity and quality of material assets available to producers is central, the non-material assets, including the ability to coordinate different aspects of production or marketing, is still more important for them to enter and stay in markets.¹ This leads us to the second concept of interest, that of *agency*.

2.2 Agency

Agency in the context of markets and globalisation refers to the ability of smallholders and their organisations to position themselves in a market, to make effective choices to advance their interests, and to be able to act on those choices. Another way to think about it is to use Amartya Sen’s idea of entitlements (Sen, 1982). For Sen, development should focus on the possibility to live a life in dignity, in other words for people to have some control over their destiny.

The great majority of analysis and commentary on agency among small-scale producers has focused on economic organisation of producers, in the form of cooperatives and “cooperating to compete”. It is widely accepted that even very small-scale producers, if organised into an effective organisation, can do well economically. For example, 6,000 very small-scale producers in the Peruvian Amazon region near Bolivia, operating without roads, have created collection systems that allow them to make US\$10 million in sales per year. This is the case of CECOVASA (Central de Cooperativas del Valle de Sandia) and many other social enterprises in Peru (Remy, 2007). Focusing on the right product, getting the quantity and quality right and organising producers, are all important factors that can guarantee access and long-term participation in the market for many small-scale farmers.

But agency extends well beyond economic organisation of producers, to encompass the capacity of producers to organise and the ability to take effective action for self-determination. In the worlds of agriculture and food where so many actors intervene, strengthening the agency of small-scale farmers and the people who work and trade with them will allow a widening of the debate, to include new opinions and new insights from this variety of actors. A focus on agency requires also a political analysis of how citizens and civil society, as distinct from but of course related to governments and the private sector, shape policy outcomes.

The focus on agency necessarily requires attention to what small-scale farmers and their organisations are saying, on why they build their arguments and the context in which they speak. A focus on agency requires attention to issues of voice and representation as well: who is speaking, in whose name, and who is left out of the narrative recounted. It means being deliberate about seeking

1. On the attempt to integrate different types of assets the DFID’s Sustainable Livelihoods Framework has been an interesting conceptual tool. <http://www.nssd.net/pdf/sectiont.pdf>

out producers who for a variety of reasons (gender, caste, race, etc.) are excluded from producer organisations. A number of important groups – agricultural workers (who may or may not also farm land for themselves), women in many societies, migrants or traditionally outcast groups (in some cases indigenous peoples, or people from minority tribes) – are silenced in community gatherings, or ignored by established associations of producers.

Studies of women in Bangladesh by Susan Joeques (Fontana *et al*, 1998), for example, found that while there was considerable community-based dissatisfaction with the way structural adjustment programmes translated into government policy in the 1980s, many young women welcomed the creation of export-processing zones in particular because it provided them with economic independence (of a sort) and the chance to leave home independently of marriage. This kind of outcome is absolutely central to agency, but could easily be missed if only the established NGOs and community groups are consulted. The NGOs were critical of the wider economic implications of allowing foreign investment without taxation in zones where national labour laws did not apply. Many in the affected communities (the families of the young women, for example) were not comfortable with the independence women achieved through earning a living away from home. In traditional Bangladeshi life, men retain tight control over women's lives.

Sietze Vellema of Wageningen University outlined three components of agency in his speech to the Knowledge Programme participants (April, 2010): performance, proximity and politics. To increase their agency farmers have to produce well (and as a team, not only as individuals, because rarely is an individual achievement enough); they have to find ways to be close (or closer) to their consumer base; and, they need to work through their dilemmas. The first, Sietze suggests, means finding ways to capitalise on farmer's existing knowledge base. Standards come from outside, and ignore what farmers already know. Starting with standards may not have the best results for farmers. Proximity is about the question of how to pay farmers and when. Marketing requires aggregation, but mechanisms for aggregation are not obvious. Farmers are often too poor to wait to be paid, so managing the cash flow in collective aggregation and marketing efforts can be a challenge. Politics is about the need for concerted action beyond the market place.

2.3 Globalisation

The term 'globalisation' is used to refer to several distinct things. First, it is about a series of technological changes that have transformed communications, data storage and retrieval, and storage and transportation. One result is that information can be shared more or less instantly around the globe for very little cost. A perishable item, such as a box of shrimp or green beans, can be harvested and packed in Thailand or Kenya and sold to a consumer in London or Paris 24 hours later. For agriculture, it is now possible to run global supply chains that supply perishable (often called non-traditional) agricultural exports across the globe.

Secondly, globalisation rests on a series of policy changes linked to a view of trade and capital investment that sees a single world market as the most efficient (and therefore desirable) outcome, and so steers economic decisions in this direction. The economic policies that have accompanied globalisation have moved most of the economies of the world into free trade agreements (bilateral, regional and multilateral), deregulated capital movements, and towards much greater openness to foreign direct investment than was historically the case. Overseas development assistance, UN resolutions and mandates, conditions on private and public loans have all put significant pressure on countries to liberalise their economies and to relax regulations on areas such as capital flows. These economic views were not the only possible policy package that could have accompanied the technological changes described above, but they are the views that have dominated and they are strongly associated now with the term globalisation.

Thirdly, globalisation creates a cultural shift. The term is associated with a lifestyle that has come to be ubiquitous, linking Rio de Janeiro to Hong Kong, London to Nairobi. The revolution in communications technology and the resulting access to information for billions of people, not just the few who can afford to travel, has had a profound effect on social expectations the world over. This globalisation of expectations is both economic (linked to what work people want to do and how much they think they should earn) and cultural (what music to listen to, what food to eat, definitions of the "good life"). Small-scale farmers live a life that is very far from the ideals portrayed in this packaged "good life," deepening the pressures on rural communities because success is often measured by a move to the city, if not abroad, to an industrialised country (Sumberg, 2006, p.26). In some sense, this reality is just the latest manifestation of the trend that

has pulled generations of rural people into urban life as countries industrialised. But globalisation has speeded up the process, homogenised the outcome, and changed the ground rules. In sub-Saharan Africa in particular, many commentators have noted the phenomenon of rural-urban migration that is not linked to economic opportunity (there are few jobs in the cities) but rather to other factors, such as access to social services and the pull of a lifestyle other than farming because agriculture is seen as backward (eg. Losch, 2009). Nonetheless, there is considerable evidence that a move to the city will improve an individual's income and standard of living more generally.

These three aspects of globalisation interact and reinforce one another. They have created

significant, distinct but not unrelated, challenges for developing countries. Observers such as Bernard Losch (2008) have documented the limited employment opportunities available to those who leave the land to earn an income, and the impossibility of absorbing even a small share of this labour force through out-migration to industrialised countries. Policy-makers are being forced to look harder at how to concentrate the creation of livelihoods in rural areas in developing countries (Parsons, 2009; Bachetta *et al*, 2009).

With these definitions in mind, where has today's discussion of small-scale farmers and their strengths and weaknesses come from? The following section reviews the evolution of small-scale producers' place in debates on national development and food security.

Context of the debates on small-scale farmers and globalisation

This section reviews the evolution of the debate on how small-scale farmers' participation in markets has been projected through different political and economic lenses. It also analyses the evolution of ideas and the big topics of the debate concerning farming and food.

3.1 Fifty years of market ideologies

The following is a simplified account of market ideologies of the last five or so decades, starting with the 1960s. It describes tendencies – it is not an exhaustive account. The idea is to help chart an evolution of how dominant voices engaged in development policy have perceived small-scale farmers in the context of markets for agricultural commodities.

The 1960s to 1970s – the state knows best: industrialise on agriculture's back

For much of Africa and parts of Asia, the 1960s was a period of decolonisation. Latin America was decolonised much earlier, in the 19th century, and had in many cases replaced the foreign colonial power with a homegrown version of the same. People of European descent held political and economic power while indigenous peoples were marginalised, and even excluded altogether from political life. In the 1960s, many parts of Latin America, Asia and Africa lived through revolutionary movements and political struggle. In much of the developing world, governments were military dictatorships or strongly nationalist. Control was tightly held at the centre. Many governments were headed by former guerrilla leaders, men (and, more rarely, women) who had led the push for independence. At this time, the greatest concentrations of poverty were found in Asia. Many African countries had considerable wealth due to income from their commodity exports, including minerals, metals and agriculture; but distribution of wealth was not a major concern. The European powers that had been the colonial rulers continued to buy these commodities for use in their domestic economies.

Many developing countries inherited an agricultural structure and institutional framework from the colonial times that bifurcated agriculture. There were large estates, typically producing export crops and fairly often still run by those who had

come in with the colonising power, though in some countries the expatriates were pushed out and the land and associated businesses were nationalised or otherwise expropriated. In Latin America the landowners were home-grown rather than expatriate, but were generally descended from colonists. The second strand was composed of smallholders, who in most cases made up the vast majority of the population. They grew food, provided labour to plantations, and in some cases also grew export crops such as coffee and cocoa on very small plots of their own land.

At this time, governments exercised strong central control over agriculture and agricultural markets. Common policies included fixing prices of staple foods, managing supply, subsidising inputs and controlling sales on both domestic and export markets. Governments tended to focus on urban markets and policies were aimed at keeping food prices low rather than on rewarding agriculture. In other words, small-scale agricultural producers were effectively subsidising industrialisation and urbanisation. Governments sponsored co-operatives and trade unions, seeking to obtain social and political support from rural voters by organising (but also controlling) producers. Rural populations were generally thought of as more quiescent in the face of political repression than the often more educated and wealthier urban populations. In some cases, the majority of the rural poor lived in quasi-feudalistic conditions, with large, wealthy landowners in control of the best land, monopolising access to agricultural inputs, and deciding where infrastructure such as roads and railways should be built. In other cases, the state established enterprises, or re-invented colonial structures, that dominated the distribution and marketing of agricultural commodities (particularly those destined for export, such as tobacco in Malawi, or food staples, such as rice in much of Asia and maize in East and Southern Africa.)

A few countries underwent serious attempts at land reform and a more equitable redistribution of wealth. Such programmes were strongly associated with both the Russian and the Chinese communist revolutions. The programme implemented in Tanzania, for example, was strongly influenced by socialist ideology, as were the land reform programmes implemented in this period in Cuba, Bolivia, Ethiopia and Zambia. With or without land

reform, most of the newly independent former colonies centralised control of agriculture. Where land was redistributed, it was rarely given to farmers to manage as they liked. Many governments dictated what crops to grow, what prices would be paid, and restricted population movements among settlements and between rural and urban areas as well.

The 1980s: there is no alternative

A series of crises shook global and national markets in the late 1970s and early 1980s. Many developing countries could no longer afford to continue their policies. The programmes were expensive, corruption was a problem, and many of the state-led interventions were unpopular, especially in Africa, because they ignored producers and their interests. The insistence on price stability (which anyway proved elusive) depressed producer prices, discouraged investment in productivity and increased demand for food imports. A strong push within the donor community, particularly from the multilateral financial institutions (the World Bank and IMF) but also from a number of bilateral donors, to deregulate and encourage private sector activity also led to a renewed emphasis on exports – in some cases, resulting in depressed prices though a significant expansion in production (World Bank, 2007, p.133).

Management of global commodity markets also went through a shift at this time. International commodity agreements, anyway a mixed success over the 1970s and early 1980s, gave way in the face of strong opposition from some of the biggest consumer countries (the United States and the countries of Western Europe) and were largely abandoned. The price of many agricultural commodities declined, which reduced foreign exchange earnings just as many developing countries saw interest rates on their loans rise sky-high. The scarcity of foreign exchange was much exacerbated by the devaluation of most developing countries' currencies under structural adjustment, so that even increased sales of exports brought in less foreign currency.

Some of the countries that liberalised their agriculture during this period made significant inroads against poverty: China, for example. Others experienced increasing inequalities and a real deterioration in living conditions that affected both rural and urban populations. In almost all cases, the economic policies of the 1980s increased the already steady out-migration from rural areas. Such out-migration can reflect both improving rural conditions and the release of labour from the land for other employment, and deteriorating conditions that force labour to seek employment

elsewhere. Even in China, where living conditions in rural areas improved significantly, the income gap between urban and rural populations grew (and has continued to grow).

With the shift in development thinking in the 1980s, small-scale farmers became “the poor” – the object of development programmes designed to move them into other occupations. They were neither citizens (as they were in a sense when the nationalist, usually one-party state, governments saw them as a voting block) nor independent economic agents (unless they produced export commodities). The production of food for domestic markets was seen as a backward occupation in need of modernisation, and anyway too under-capitalised to offer development potential.

The 1990s: Money and markets

Spending on agriculture did not really start to decline until the late 1980s and the 1990s. But from then on, the fall was dramatic. Development rhetoric at this time was very much focused on private sector initiatives and, where those seemed inadequate, on public-private partnerships. Talk of agriculture as in any important way distinct was quelled in favour of the view that agriculture was like any other good, only less profitable than most except for the rapidly expanding markets for non-traditional commodities, such as horticulture and seafood.

In 1996, the FAO hosted the World Food Summit. At this time, food security was virtually synonymous in the official rhetoric with global trade in open markets. Where market failures were acknowledged to exist, “flanking measures” were assumed to be sufficient to compensate (Murphy, 2009).

The economics of open trade, convertible currencies and a deregulated private sector that had helped to bring new governments to power in the 1980s across much of the industrialised world, was codified in a series of trade and investment agreements. In 1994, Canada, the United States and Mexico signed the North American Free Trade Agreement (NAFTA) a far-reaching trade and investment deal that, unlike the European Common Market, more or less ignored social integration (and pointedly did not deregulate migration) but in other ways promoted a deep integration of the three countries' economies. Also in 1994, the signatories to the General Agreement on Tariffs and Trade (GATT) signed the Uruguay Round Agreements (URA), to come into effect on 1 January 1995. These agreements included an agreement to establish the World Trade Organization. The URA also included the Agreement on Agriculture, which explicitly

brought the sector into the multilateral trade system, where before it had been excluded through various exceptions and waivers to the agreements that otherwise covered all trade in goods.

Simultaneously, a rather different kind of rhetoric around agriculture, small-scale farmers and the role of markets was evident in the spate of UN conferences and summits that marked the decade: the Rio Earth Summit (UNCED), whose outcome included a chapter on Sustainable Agriculture and Rural Development (Agenda 21, chapter 14) as well as a chapter on Farmers as a Major Group (Agenda 21, chapter 32); the Framework Convention on Climate Change; the Convention on Biological Diversity; the World Summit on Social Development; the Beijing Women's Conference; as well as UN Conferences on Human Rights, on Population, and on Housing. Environmental limits to growth, problems of mal-consumption (both excessive and insufficient) and concerns about new technologies, such as genetic engineering, were all discussed – though discussion of finance and economics at these events was profoundly circumscribed by (mostly absent) trade and finance officials. The social movements and civil society organisations that gathered at these events consistently asserted that trade liberalisation and privatisation were not a sufficient answer to the needs (or the potential) of agriculture and development. Issues of culture and identity as farmers and peasants, and about relationship to the land were promoted. If others put the emphasis of their claims on economic rights and their role as “professional” farmers, this group is focused on culture and community development and call themselves “peasants, campesinos or paysans.”

“The language around us is changing all the time. Historically, we were peasants. Then when that term came to mean ‘backward’ we became ‘farmers.’ In these days ‘farmer’ has the connotation of inefficiency and we are strongly encouraged to be more modern, to see ourselves as managers, business people or entrepreneurs capable of handling increasingly larger pieces of territory. Well, I am a farmer and I am a peasant. I learned that I had much more in common with peasants than I did with some of my agribusiness neighbours. I am reclaiming the term peasant because I believe that small is more efficient, it is socially intelligent, it is community oriented. Being a peasant stands for the kind of agriculture and rural communities we are striving to build.”

Karen Pedersen, past-president, National Farmers Union (Canada). In ETC GROUP, Communiqué Issue 102, November 2009.

With these economic models providing the backdrop, views of food security over the post-World War II decades also continued to change.

3.2 Feeding the world

A simplified breakdown of how food security has been approached during the decades since World War II suggests three broad headings that follow in roughly chronological order: food security as a supply problem; food security as a distribution problem; and, food security as a problem of access. Of course, these approaches to food security did not succeed one another in a simple fashion. They co-exist and interact and shape one another. But it is possible to trace a broad shift in public policy priorities over time, captured by these headings. In each case, a different role for small-scale farmers is evident.

Food security after World War II was above all about production (i.e. supply) in a national context under government leadership, although supplemented by large-scale sales of food from grain-rich countries (such as Canada and the United States) to countries with chronic food deficits, such as India, as well as countries that played a critical role in global geopolitics, such as Israel and Egypt. Created in this post-war period, the FAO's structure and operations still reflects this legacy of food and commodity production as a primary focus. Small-scale farmers were the overwhelming majority of farmers in the developing world, and still grew most of the food in industrialised countries as well.

Coinciding with the economic changes described above, in the 1980s and 1990s, definitions of food security started to focus less on national contexts and governments and more on international markets and the private sector. Arguably, there was a shift in priorities from supply to distribution – how to get the food from where it grows most efficiently to where it is most required.

This evolution in thinking is described in a recent history of food security written by D. John Shaw:

“From a situation of food shortages in the developing countries and the use of the so-called food ‘surpluses’ of the developed countries, the focus switched to the importance of ensuring access by poor people to the food they needed through increasing employment and purchasing power. At the same time, powerful forces entered the world food system, including the emergence of large multinational food corporations, which led to the increasing commercialisation and control of the food

chain, and population growth and urbanisation, which resulted in a considerable expansion of world food trade.” (Shaw, 2007, p.285)

Small-scale farmers faced a very difficult time with this triumph of global markets and transnational distribution systems. In many industrialised countries, their numbers declined dramatically (USDA, 1998). In developing countries, small-scale farmers were also confronted with very significant challenges. In countries such as China, which moved away from state-controlled agriculture to allow producers to keep and sell a certain share of their production on a private market, the changes were overwhelmingly positive, at least initially (Chen, Wang & Davis, 1998). But in countries that underwent structural adjustment programmes, small-scale farmers suffered as production costs rose dramatically with the end of government subsidies while crop prices were also often higher, but also unstable, subject both to government interference and to increasing pressure from imports.

The third and most recent phase is marked by a focus on access to food. Those arguing that access is the central issue point to the fact that the world has grown abundant food for over forty years (far more than the world's population needs) and yet has failed to eradicate hunger. They accept that there are some real challenges to adequate supply; it is only by supporting local production and distribution systems that hunger can be addressed. In other words, hunger is about poverty not a shortage of food. And poverty is not only a lack of income, but can be due to lack of access to land, lack of skills to barter, lack of a family or kinship group that would normally provide support, or lack of access to public safety nets.

Traditional assumptions (evident in some of FAO's work, and in many government statements) that access to food means simply getting food to a market, food that might well come from a global market, delivered by a transnational firm are challenged by La Via Campesina and others (see section 4.5). Their arguments in support of food sovereignty, protecting local markets for local producers (and local foods), and an active role for the state in food and agriculture markets all link to support for family and community farming systems. There are also important links to human rights norms and institutions. La Via Campesina speaks for people's right to produce their own food. Most national governments are committed to the *right to food* as part of their obligations as signatories of the UN Covenant of Economic, Social and

Cultural Rights. The link to human rights discourse underlines the importance not just of production-linked issues and economic agency, but also the importance of political voice.

3.3 The new millennium: new dilemmas

The world of food and agriculture entered the 21st century on something of a low. Commodity prices in global markets were at historically depressed levels, leaving many of the farmers who supplied those markets either financially dependent on government programmes (where such programmes existed) or in abject poverty. The number of people living in hunger remained stubbornly high, at some 850 million people (roughly 15 per cent of the world population). Freshwater shortages, soil erosion, mounting evidence of climate change, and a dwindling oil supply all added to the uncertainties. Even before the food crisis of 2007 and 2008, and the subsequent global financial crisis that broke in September 2008, dissent over the future of agriculture and the role of small-scale producers within it was mounting. The strong consensus among government officials that the answer to development would be found in global trade and investment started to fall apart.

With globalisation, several important shifts in the structure of agricultural markets were evident. In a recent article for the journal *World Development*, agricultural economists Reardon *et al* argue that the structural transformation of food systems within developing countries has been much more significant than the growth of trade: there has been a huge influx of foreign direct investment (FDI) linked to building and consolidating food processing and retail. This investment is associated with the emergence of fast food outlets and supermarkets (and the processed foods they stock) pushed by growing demand from urban consumers in developing countries. The whole transition has been made possible by the changes to both internal and external economic policies, including the removal of tariff barriers, the harmonisation (and privatisation) of quality standards and the deregulation of capital flows.

The emergence of supermarkets, processed foods and fast-food chains in most regions of the world has transformed not just how food is processed, stored and distributed, but also what foods are grown, and how. There have been implications for farmers as farmers, of course, but also implications for rural employment more generally. Many small-scale farm households rely on selling their labour off-farm as a source of household income, whether

seasonally or throughout the year. Berdegué gives the example of the less than one thousand grape farms in Chile that employ (both directly or indirectly) tens of thousands of people (Berdegué, 2005). In Tanzania, ten flower farms growing flowers for export employ some 3,000 workers, mostly women (Riisgaard, 2009).

Some economists suggest local and global prices are primarily linked through labour markets (Dyer *et al*, 2006). The supply of labour to subsistence agriculture (and therefore the output of the sector) is in inverse relationship to the market price of commercial crops. If commercial crop prices drop, demand for labour falls and production of subsistence crops increases, depressing local prices. Contrarily, strong prices for commercial crops generate higher wages and pull labour out of the production of subsistence crops, supplies of which then fall, raising local food prices. The demand for and level of wages paid to agricultural labourers create a direct link to the output and profitability of agriculture as a whole, including subsistence production. World Bank research supports this analysis of how labour and market prices interact (Wiggins, 2009. p.13).

Small-scale farmers face obvious disadvantages in this emerging centralised and globalised system:

they lack the capital and organisation that the system demands, they find it hard to meet volume and quality demands, and, often, they are far from the markets they need to access and therefore relatively powerless (World Bank, 2007. Ch.5). On the other hand, small farmers also have some advantages from a business perspective. Reardon claims their relative lack of market power, for example, makes them less likely to break contracts even if higher paying opportunities arise, which in turn makes them desirable to contractors. A number of companies have found it worthwhile to provide small-scale farmers with services to facilitate their production, thereby ensuring the companies' access to the resulting harvest (Reardon *et al*, 2009).

The new millennium also presented producers, large and small, with a new set of market access issues, in the form of increasingly stringent (and diverse) standards, both public and private. Standards pose significant problems and risks for small-scale farmers, particularly those seeking to supply global value chains, or even national supermarket distribution systems. On the other hand, some of the standards and labels in place offer organised small-scale farmers an opportunity to market their products by distinguishing them from others – something that environment, labour and fair trade organisations all use to their advantage.

Rupture: the food crisis

In 2007, food prices that had started to rise from very low levels in 2004 surged upwards very fast. Circumstances that commentators dubbed at the time “a perfect storm” led to very significant price increases and panic in many national capitals as food became unaffordable. From March 2007 to March 2008, the price of rice went up 74 per cent (most of that in the last few weeks of the period); at the same time, the price of wheat more than doubled, rising 130 per cent (Murphy, 2008).

The “perfect storm” was of course not an act of nature. It was largely the creation of policy and market failures, though bad weather (and in some cases dreadful environmental management) played their part. There were supply and demand factors at work, as well as failures in the distribution mechanisms that mediate supply and demand, including government policy responses, trade rules, and commodity exchange regulations. Many of the assumptions that shaped perceptions of small-scale farmers and global markets were challenged by the crisis and its aftermath. There is an opening now to change some of these assumptions.

The crisis made it almost impossible for government officials to contend that all was well in the world of agriculture. For 50 years agricultural production grew at a comfortably faster rate than the human population. Today, that productivity growth has shrunk to little more than one per cent, near parity with the human population growth rate, estimated by the United States Census Bureau as 1.1 per cent in 2009. The post-war production boom depended largely on abundant oil and natural gas, together with irrigation and selective breeding that focused on increasing yields of grain per individual plant. This approach, while hugely successful, is challenged from many directions today. The oil and gas that go into pesticides, fertilisers and the fuel to run farm equipment is finite and prices have risen, and are likely to go on increasing. Fertiliser prices rose dramatically during 2008. The terrible waste associated with widespread and careless use of irrigation systems, too, is under attack as water tables and underground aquifers shrink and as climate change makes rainfall more uncertain. Meanwhile, the science of hybrid seeds seems to have reached a plateau, while the newer science of bio-engineering remains controversial. A number of countries have rejected the technology outright, while the private sector’s insistence on private property rights makes the technology prohibitively expensive for

small-scale farmers. Now public health officials are joining debates on food and agriculture because there is mounting evidence to link industrialised food and agriculture systems to the rapid rise in the incidence of obesity and its associated illnesses (Lang, 2009).

Thus there is widespread agreement that food and agriculture systems are broken and need reform. There is perhaps more agreement on this point than at any time since the end of World War II. This has spawned several new (and somewhat competing) institutional mechanisms, including the UN Secretary General’s High Level Taskforce on the Global Food Security Crisis, and invigorated (or reinvigorated) others, including the Global Donor Platform for Rural Development (established in 2004) and the FAO’s Committee on Food Security (given a new mandate and profile at the November 2009 World Summit on Food Security).

The agreement to give agriculture a higher priority has also reversed the dramatic decline in funding for agriculture from donor and developing countries national budgets. In October 2009, US Secretary of State Hillary Clinton announced a three-year US\$ 3.5 billion Global Hunger Plan. This is the United States share of the US\$ 22 billion pledged by G8 countries in July 2009. The Bill and Melinda Gates Foundation is already spending some of the hundreds of millions of dollars it pledged for agricultural development over the next five years (Gates Foundation, 2008).

On the other hand, there is far less agreement on what needs to change, which means there is little agreement on how to spend the money.

From a food security perspective, the debate over the relative importance of production, distribution and access issues has shifted again. Those that emphasise supply issues have had a tremendous boost. One commonly cited statistic in the recent debate is that world food production must increase by 50 per cent by 2050 to meet the demand of the anticipated 9.5 billion people expected to live on earth by then (DB Group, 2009). In September 2009, FAO suggested the figure was actually 70 per cent (reported by AFP on 23 September 2009). This argument is popular with companies that sell agricultural inputs, as well as those who argue that a new wave of technology, particularly genetic engineering (GE), is essential to protect food security.

Those who are focused instead on access issues, including proponents of the right to food and food sovereignty, contest these arguments centred on production outcomes alone. In the words of agricultural economist Daryll Ray speaking about the 2007-2008 world food crisis, “The problem was not that we did not have enough production but that we were afraid that we weren’t going to have enough” (Ray, 2009). For those who are concerned about ecological limits to growth, the food crisis is proof that markets and technology alone are not the solution. These views were broadly supported by the findings of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), a process that engaged more than 400 researchers between 2002 and 2008 under the auspices of the World Bank in partnership with FAO, the Global Environment Facility, UNDP, UNEP, WHO, and UNESCO, together with representatives of governments, civil society, the private sector and scientific institutions from around the world. The group’s mandate was to look at the effects and potential of agricultural science and technology on hunger, poverty, nutrition, human health, and environmental and social sustainability, looking at the empirical evidence and forecasts of future needs. The final IAASTD report reflects a shared concern among the authors that there are real environmental limits to continuing (and expanding) the industrial models of agriculture that today grow most of the food in commercial distribution (IAASTD, 2008).

On the distribution side, the argument that global trade was an alternative to national food production was also shaken by the crisis. Governments in food exporting countries, some of whom had spent a decade or more pushing food importing countries to relax barriers and increase import levels, “blinked”. From Argentina to Vietnam, a number of exporting countries showed the limits of their faith in open markets when they reintroduced export-restrictive measures that had been abandoned over the 1980s and 1990s. For their part, net food importing countries lowered their tariffs in a bid to get food more cheaply, but the short-term effect (because of tight supplies) was only to raise world prices even higher.

The food price crisis made the point that global markets are volatile, too. A number of countries and private firms embarked on a global search to

secure land (and its water) in 2008, buying and leasing land in some of the poorest countries of the world, including Bangladesh, Nepal and Ethiopia (Cotula & Vermeulen, 2009; DB Group, 2009). Some firms also started to look at ways to ensure the loyalty of their suppliers, for example by adopting fair trade or similar standards. Despite regular pleas from many policy circles for continued reliance on the WTO and its rules-based system, the last two years have seen governments more chary of international trade.

The global financial crisis of 2008 deepened the shift. The relaxation of restrictions on commodity trading, coupled with the increasingly integrated financial system built up in the first years of the 21st century, pulled billions of dollars of speculative capital into the commodity futures markets, distancing those markets from their “fundamentals” of supply and demand and opening the possibility of destructive bubbles. When the financial markets started to collapse in September of 2008, agricultural commodity markets were also profoundly affected. This understanding has launched a series of reports and reviews into whether the existing governance of commodity markets is adequate (see for example the spring 2010 edition of *Food Ethics*, which is dedicated to the issues of finance and food.) In July, US President Obama signed into law legislation that, among other things, will restrict speculation on agricultural commodity futures markets.

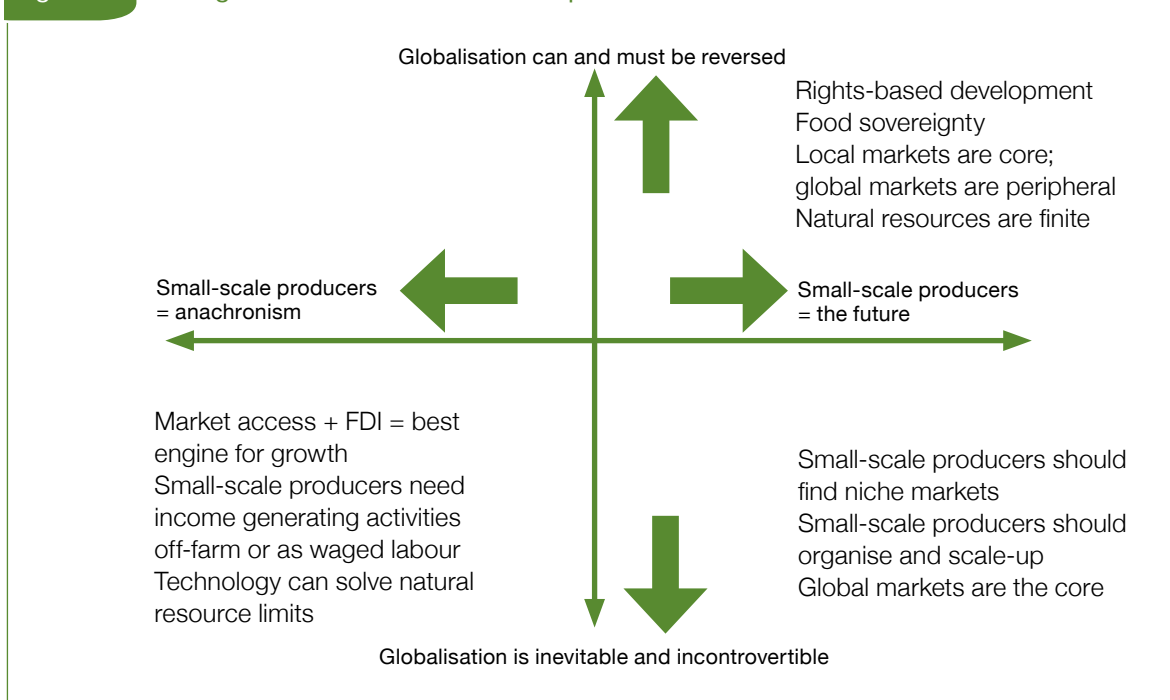
The crisis has distilled two diverging perspectives on what should happen now. The dominant perspective continues to focus its hopes for economic growth from the agricultural sector on agricultural exports, on private sector investment and on open markets to replace government management of the economy. The second supports a relatively active role for public sector investment, gives preference to local and national markets over global markets, and raises the challenges around the need for much better natural resource management, much greater progress on the goal of realising gender equity and much better prospects for local employment and capital formation at the local level in rural economies as the basis for a different approach to small-scale farmers and rural development more generally. These two perspectives, and some of those that lie between, are explored in the following discussion of narratives.

Narratives

The following narratives are presented to make sense of the myriad and dissenting perspectives of the role of small-scale farmers in relation to globalising markets. The narratives capture elements of the discussion above and situate them in relation to policy prescriptions and underlying

assumptions. Figure 1 provides a summary picture of the dominant views in these narratives: small-scale farmers as an anachronism; small-scale farmers as part of the mix within globalised agriculture; and small-scale farmers providing an important alternative.

Figure 1 Pulling in Different Directions: Perspective of Small-Scale Farmers



These views on small-scale production *per se* (for example, whether such a model of production is desirable or not) have a profound impact on how the risks and opportunities of globalising markets are assessed. Perspectives on the role of small-scale farmers vary enormously. An electronic debate hosted by the UK's Department for International Development (DFID) in 2004 illustrated the two opposing views. In one corner was Simon Maxwell, making the argument that most small-scale farmers must find something else to do if they and their families are to aspire to better lives. In the other was Michael Lipton, arguing that poverty reduction and development depends upon investing in small-scale farmers (DFID, 2004).

The sub-headings in this section are meant to convey some flavour of the views described; they are deliberately simplified to help sketch out the different views of small-scale farmers today. A summary table of the different narratives is provided at the end of the section.

5.1 Yesterday's economy: small-scale production as an anachronism

Although increasingly challenged, the view that development should primarily be financed through global capital flows and export-led growth remains the dominant view in most governmental policy circles. Within this camp, one view sees small-scale farmers as an anachronism; a condition that people will (and should) leave farming as soon as economic growth allows. This is an influential view in the wider policy debate and important to acknowledge and understand. Economist Paul Collier wrote recently: "The most realistic way to raise global supply [of food] is to replicate the Brazilian model of large, technologically sophisticated agro-companies supplying for the world market" (Collier, 2008).

The dominant view within economics assumes that fewer, larger, more capital-intensive farms will be more productive. By a number of measures,

such as yield of grain per plant, they are. In this view, employment in rural areas should move off-farm, though it might still link to food through processing, distribution or working on large farms and plantations. Diversification of income-generating activities is an exit strategy – a way out of poverty. For those who see small-scale farmers this way, the coincidence of poverty and agriculture in developing countries confirms that small-scale agriculture is a dead-end.

This perspective has relatively little to say about small-producer agency and globalising markets, since it does not believe empowered small-scale production can outperform industrial agriculture. The policy advice that ensues focuses on investment in larger and more established producers coupled with efforts to diversify the non-agricultural economy so as to find opportunities to absorb labour elsewhere than in agriculture.

5.2 Engine of poverty reduction: an instrumentalist view

Another group of analysts see small-scale farmers as a crucial engine for the development of the wider economy.

This view is typified by Peter Hazell and Xinshen Diao from the International Food Policy Research Institute (IFPRI) who challenged the sceptics who argue that agriculture, particularly the production of cereals, is not a useful development strategy for Africa in an age of globalisation. The authors contended that small-scale production offers important advantages, including relatively more reliance on labour than capital (favouring the abundant factor of production), working with the existing knowledge and skill base, controlling out-migration to cities (where employment is scarce and livelihoods precarious), and providing food security for areas that are not well served by national distribution chains. For the authors, the problem lies rather with policy-making that ignores the needs of smallholder agriculture, including infrastructure and education, appropriate technologies, secure land tenure, and producer-controlled marketing organisations. These are not needs that individual farmers can meet, but which, if met collectively, can realise significant returns, both for the communities directly affected and for the country as a whole.

The view that agriculture can be an engine of poverty reduction is largely instrumentalist, along the lines that governments must invest in agriculture to generate broader economic

development, ultimately freeing more people for work outside food production. The vision of development is of an industrialised economy in which only a small percentage of people actually farm. For example, here is one view from two World Bank economists: “The policy point, then, is not exclusively sectoral but national and territorial – how to facilitate the transition from a rural economy based on small farms to a rural economy that is diversified in income sources, competitive in international markets, and dynamic.” (Valdés & Foster, 2005).

Agricultural economist C.P. Timmer argues there is an inevitable structural transformation to a “world without agriculture,” in which a few per cent of the population grow all the food needed, freeing everyone else for other activities. For Timmer, the development challenge and the key is to manage the transition, including through investing in agriculture – the sector that is often left out of modernisation programmes (Timmer, 2009).

This view is perhaps the dominant one in today’s debate on agriculture and development, at least in governmental circles. The vision of development has not changed (countries must industrialise), but the view of agriculture has shifted from one that largely ignores the sector, to a view that relies on the sector to generate the economic activity needed to develop a country out of impoverishment.

5.3 Entrepreneurial farmers: finding room in the shade

The utilitarian view of small-scale production shades into a third, more heterodox, view. In this, small-scale farmers are a normal, if small, part of global supply chains. This view sees globalisation as inevitable but also malleable: it does not chart a single, narrow economic course. Small-scale production, especially for the more “entrepreneurial” farmers, is a viable part of the larger economic whole.

A number of small-scale farmers have enjoyed a measure of economic success because they are near larger plantations or farms that attract investment and infrastructure that smaller producers can use as well, though they would not on their own be big enough or rich enough to attract the resources they need.

A variation of this scenario is exemplified by transnational or large national firms that create speciality products tied into giving a few small-

scale farmers favourable terms as a small (usually minute) sub-set of a business that is overwhelmingly supplied by either industrial-scale farmers or by small-scale farmers who get little from the supply chains they work for. Some of the most publicly visible food processors, such as Nestlé and Unilever, look for small-scale farmers for very specific product lines (such as Nespresso™), which they showcase in annual reports and use to satisfy newly emerging (and voluntary) standards for social engagement. Development agencies, too, have been enthusiastic about the opportunities for small-scale farmers to engage in such “niche” markets.

These corporate-led initiatives are marginal, representing a small share of overall business for most of the firms involved. The “portioned coffee” business (coffee like Nespresso™ made from individual pots of coffee to be brewed in specially designed machines) is growing very rapidly (Nestlé claim sales of CHF 2bn in 2008 and 20 per cent sales growth in 2009) but is still a tiny share of the global retail market for coffee.

One dimension of the controversy over biofuels illustrates the dilemmas such opportunities for small-scale farmers can generate. The commercial biofuel industry is primarily rooted in crops that are produced on an industrial scale: sugarcane from plantations, soybeans, canola, maize, palm oil, etc. But small-scale farmers are also involved, and many of them get decent returns for their production so long as they are close enough to buyers and processors that buy the majority of their supply from industrial growers. Moreover, there are potential technology spin-offs that could make alternative energy sources commercially viable, offering rural communities in developing countries the chance to generate their own power rather than rely on expensive and unreliable oil and gas imports. For small-scale farmers, the opportunity is both in a market for their crop and in reducing their need for an expensive input by providing some of their own energy. Yet industrial growers and processors dominate the industry as a whole, and it is their interests that dominate the biofuel policy agenda, too, determining standards and even subsidies. Small-scale farmers have but a weak voice, where they have a voice at all. Their agency in such markets is limited.

5.4 Markets and the poor: small-scale farmers are good business

A fourth narrative that describes small-scale farmers’ role in global agriculture is anchored in the private sector rather than in government policy

circles. *De facto*, large national and transnational firms engage with a significant part of the small-scale producer population around the globe. They sell them their products, from credit, seeds, pesticides, fertilisers, and farm machinery to storage bins and drying racks and bags to transport crops. And they buy from small farmers, too, to meet their customers’ demands (both local customers and global customers). There are many reasons for this interaction, including above all the lack of alternative suppliers in many cases (for example, 90 per cent of cocoa is grown by smallholders). But there are other factors at play, including the purported loyalty of smaller farmers, the presence of public subsidies to encourage at least a mix of producers in supply chains, and demand from consumers, some of whom are willing to pay a significant premium to buy something they think will ease poverty or redress social injustices. The demand from some consumers and shareholders for more accountable business practices has given rise to programmes referred to as corporate social responsibility or CSR. In some contexts, for example in India, widely-shared political sensibilities have pushed companies to work with poorer rural communities in order to establish their *bona fides* with more affluent social groups and the regulatory authorities.

Much of the fair trade movement fits in this worldview. Fair trade companies see themselves as businesses, but with a conscience, looking for more than purely financial gain (although many of them learned the hard way that the bottom line still has to be met). A number of NGOs have organised programmes in this vein, under the rubric: “making markets work for the poor”. For example, the Dutch NGO SNV sees poverty as an opportunity, rather than a problem: that is where there is huge unmet demand, after all, but also where supply can come from:

“This switch – from the poor as passive recipients to active players in the market and the integration of the poor as integral to companies’ value chains – is what we call “Inclusive Business”. It is the promotion of business practices that include these “majority markets” in ways that both improve their livelihoods and increase their incomes while at the same time generating growth for companies”.

W. Robert de Jongh, Regional Director, Latin America, SNV Netherlands Development Organisation. Cited in Private Sector Mapping Project. SNV, 2008 Firm-Level Approach to Majority Market Business.

Chris Moore, senior global public policy advisor to the UN's World Food Programme (WFP) reflects a similar view in his comment about the organisation's commitment to local procurement of the food they use in their humanitarian assistance work: "Small-scale producers have long been the beneficiaries of humanitarian food assistance. Today, through innovative programmes like Purchase for Progress (a partnership between WFP, the Gates Foundation and the Buffett Foundation), they are becoming productive suppliers of food to humanitarian programs and local markets. Empowering small-scale producers to contribute further to local and national food needs is part of a broader global battle against hunger that must also address the nutritional needs of children, the urban poor and those living with HIV/AIDS and other infectious diseases."

In addition to the work on social inclusion, such as CSR, and empowering small-scale farmers as part of the fight to eradicate poverty, small-scale farmers are also seen as a critical piece of the fight to halt and reverse the degradation of natural resources and the pollution that agriculture gives rise to, particularly the emission of greenhouse gases, but also management of watersheds and biodiversity. A whole new language has emerged around "environmental services" and both the contribution that farmers, particularly small-scale farmers, can make and the money they might receive for this contribution.

5.5 Food sovereignty and the universal human right to food

Human rights language has become increasingly common around food and agriculture circles. The human rights community has (slowly) extended itself to add social and economic rights to the better-established work on political and civil rights. At the same time, jurists and governments have continued their work on codifying rights such as the right to food, first mentioned in international law in the International Covenant on Economic, Social and Cultural Rights of 1966. In 2004, the FAO Council adopted Voluntary Guidelines to support the progressive realisation of the right to adequate food in the context of national food security. The UN Special Rapporteur on the right to food, first Jean Ziegler and now Olivier de Schutter, has weighed in on a number of debates related to globalisation and small-scale farmers, including statements on global trade, on access to land, on women's rights and on the importance of small-scale farmers and landless agricultural labourers (De Schutter, 2009a).

This human rights language is distinct from the discourse on food sovereignty, but is nonetheless closely linked to it. In both cases, the instrumentalist view of small-scale farmers is rejected in favour of the view that small-scale farmers are and must be the foundation for agriculture and food production, now and in the future. This view is expressed by La Via Campesina (among others) and has the support of a number of development NGOs, solidarity groups, academics and Church-based organisations. La Via Campesina's view is summarised on their website – in summary, some of the central points include:

- The promotion of peasant or family-farm agriculture based on sustainable production with local resources and in harmony with local culture and traditions, for family consumption and sale primarily in domestic markets.
- The assertion that food sovereignty is a right, one that implies the right of "peoples, countries, and state unions" to define their agricultural and food policy and to defend their markets from "the dumping of agricultural surpluses and low-price imports from other countries."
- The assertion that landless people, peasants, and small farmers must have access to land, water, and seeds, as well as productive resources and adequate public services.
- The promotion of a decentralised model of agricultural production, processing, distribution and consumption, controlled by communities and accountable governments, not by transnational corporations.

A number of organisations working for a variety of constituencies support this view of small-scale production as a desirable (even necessary) long-term objective. For example, Greenpeace International's report *Cool Farming*, describes the importance of small-scale agriculture's contribution to mitigating the climate changing effects of industrial agriculture (Bellarby *et al*, 2008). The network of environmental NGOs, Friends of the Earth International, directly supports food sovereignty. On their website they write:

"It is essential that we build global food systems based on diverse, localised agricultural solutions. People should be allowed to determine and control their own food systems. This form of agriculture also helps communities become more resilient to climate change. Friends of the Earth International supports small scale peasant farmers in resisting the corporate powers that destroy their livelihoods and bring hunger

and conflict to their communities. We help build bridges between people and their food; between those who produce and those who consume food.”

(<http://www.foei.org/en/what-we-do/food-sovereignty>)

A number of academics have documented the productivity of small-scale farmers, including Jules Pretty at the University of Essex, Miguel Altieri at the University of California, Berkeley, and researchers working with UNEP and UNCTAD on organic agriculture. Their research argues that smallholders grow more food per acre (though their yields per individual plant may be less) and that they make a greater contribution to social and environmental capital-formation as well. Part of the argument of this group of researchers and activists is that the measures of success need to change, to include social and environmental capital, and to take account of the benefits that more diversified crop and animal husbandry systems allow.

One of the controversies within the community of NGOs and farm organisations that are broadly supportive of food sovereignty hinges on the extent to which the term “sovereignty” should be championed in industrialised countries, many of which have a long history of exercising their sovereignty over food and agriculture policies to the detriment of developing countries. Many of these NGOs are also uncomfortable with La Via Campesina’s strong rejection of the WTO in the governance of agricultural trade, a sentiment captured by La Via Campesina’s slogan “WTO out of agriculture!” Oxfam is one example among a federation of NGOs that have divided views on these issues. Many of the church-based NGOs that include policy staff who work with decision-makers in global and industrial country national policy arenas are similarly conflicted.

In general, developing country NGOs are more comfortable with food sovereignty language than their industrialised country counterparts, while small farmer organisations from around the world have embraced the concept. Many of the industrialised country development NGOs have instead chosen to use human rights language, particularly around the right to food, to health and

to water, in their policy and public campaigns. ActionAid International has built a platform that includes both food sovereignty language and the language of human rights. The first point in ActionAid’s six-point platform in their “Rights to End Poverty” Campaign is: advocate and campaign for farmers’ rights to land, water and seeds.

Yet many small-scale farmers themselves are less preoccupied with critiques of global power and more interested in their rights as economic actors. That is, they want to improve their bargaining position in the markets they buy from and sell to, they want laws that accommodate their needs (eg. contract laws in which the state protects them from abuse; labour laws that guarantee minimum wages and decent working conditions; and title to their land); they want programmes and support structures to help them better meet the demands of the most promising markets (improving quality control, attaining and retaining certification for lucrative markets, support to establish marketing co-operatives or other ways to consolidate their position). They also want some protection from loan sharks, from unscrupulous middlemen, from dumped agricultural imports, and from landowners who flout the law, or bend it to suit their interests.

Some small-scale farmer organisations have opted out of the international policy dialogue altogether. One expression of this is evident in the South Asian Network on Food, Ecology and Culture (SANFEC). SANFEC links NGOs and farmer organisations across South Asia that practise agriculture without external inputs, operate their own seed banks, and are committed to a vision of agriculture that incorporates tradition, science and above all “a world view of agriculture that places farmers firmly in control of their destinies.” Nayakrishi Andolon in Bangladesh, the Deccan Development Society (DDS) in Andhra Pradesh, India and the Sustainable Agriculture Action Group in Pakistan are all members of SANFEC. The movement is at pains to rely on the knowledge that farmers have of their land and its seeds without romanticising that knowledge or ignoring science. Opting out of the international policy dialogue has not meant opting out of markets: on the contrary. For example, the DDS is now one of the suppliers for the state government’s public food assistance programmes.

Table 1 Summary table of narratives on small-scale farming

	Yesterday's Economy	Agriculture to Reduce Poverty	Room in the Shade	Small-Scale = Good Business	Food Sovereignty and the UHRF
ECONOMIC ASSUMPTIONS	Market-based growth One global market Reliance on exports (and insistence on imports) Focus on efficiency as primary value Global value chains (GVC)	Market-based growth Many markets, but exports the most important Focus on efficiency, but also local capital formation and employment Look at rural economies, not just farmers GVC	Market-based growth Niche markets are profitable and plentiful Focus on specialisation and meeting standards GVC	Market-based growth Small-scale farmers are the majority (and plentiful) and so important as consumers and farmers Niche markets are profitable and plentiful Focus on specialisation and meeting standards GVC + production webs	Local markets come first National and regional markets ahead of global Focus on employment & local capital formation Comfortable with government regulation Production webs
ROLE OF GOVERNMENT	Minimal: Provide safety net Ensure the rule of law Protect property rights	Minimal but useful Encourage partnerships with private sector Ensure the rule of law and private property rights Support small-scale producer organising	Important to support small-scale production with appropriate standards; protective regulation; support access to inputs; small producer organising	Unimportant, though support for small-scale initiatives welcome (eg. credit or other input subsidies; procurement contracts; etc.)	Protect, promote & fulfil the universal human right to food (UHRF) + other rights Invest in small producers and local markets Establish and respect democratic processes
ROLE OF DONORS	Invest in non-ag sectors Find pathways out of ag Focus on large, industrial farms	Invest in agriculture as a means to an end Work with small-scale producers (top 25%)	Similar to government – find ways to support small-scale producers in the market	Support small-scale producers as entrepreneurs	Support governments in their tasks (above) + fund social movements and peasant organisations
VIEW OF SMALL-SCALE PRODUCERS & AGRICULTURE	Agriculture is mostly irrelevant to a modern economy Aim for <2% employment in ag Food should come from industrial producers	Food should come from mix of small-scale and industrial farms in short to medium-term Governments should aim at a slow transition to <2% employment in ag; see roughly 25% of the current small-scale farmer population as viable	Small-scale producers as a vital and necessary part of ag production, but also a minority Focus on entrepreneurs	Exploit/work with small-scale producer attributes Small-scale producers are the majority and likely to remain so for some time Small-scale producers as basis of the rural economy	Agriculture & rural economies are the heart of development Small-scale producers should grow our food Diversity and small-scale over monocrops and industrial-scale production
VIEW OF ECOLOGY	Not part of economic thinking Overcome through technology ("modern science")	Environment matters but not central	Interest in small-scale producers providing environmental services	Interest in small-scale producers providing environmental services	Small-scale producers best managers of their eco-systems; focus on diversity (genetic + technology); reliance on local knowledge and inputs

Final reflections: dilemmas ahead

This final section looks at some of the big dilemmas confronting small-scale producers. In previous chapters we have revisited five decades of changes in policies, behaviour and practices and highlighted some areas of debate that have changed in light of the 2007-2008 global food crisis. Small-scale producers (SP) have choices to make. To make those choices, farmers have to weigh up the possibilities and constraints that they face.

This last part of the document intends, more than providing answers or recommendations, to draw attention to some of the important challenges that small-scale producers will need to reflect on and engage in if they wish to see their needs and interests determinant in the policies and institutional arrangements being established by public and private actors in the new context. Small-scale producers are one of the actors that should be present and vocal.

The new context is a mix of old and new elements. A preoccupation with how to feed a growing population is back at the centre of the debate, now coupled with mounting concerns about resource constraints and environmental pollution. The new explicit focus on small-scale producers has not resolved the debate as to whether small-scale producers are the heart of the solution, just one part of the solution or a distraction from the kind of development needed to solve the problem of how to grow enough food. This fundamental disagreement, with all it implies for small-scale producers, is an important part of what is explored in different ways over the following pages.

Before turning to those debates, however, it is worth noting that for small-scale producers, of course, the problems will not look the same as they do to policy-makers. For small-scale producers, like anyone else, feeding the family is the primary concern, not feeding the world; raising and sustaining a liveable household income matters far more than GNP levels or changes in trade statistics. Of course, the economic health of the wider community that, ideally, is providing services such as health care, education and infrastructure for both household life (water, energy) and for productive activities (roads, warehouses, banking, etc) is intimately linked to household welfare. For small-scale producers, the questions might be framed more in terms of: should I get big? Get out?

Diversify? Should I work with others to maximise what can be achieved from a small base (of land or other resources)? Which leads to such questions as: what opportunities are there to increase sales? Add value? To protect the market I have? Will proposed developments bring new customers, new competition, or both? Am I equipped, or can I equip myself, to take advantage of the new market? Can I get the goods to the market? Can I meet the quality standards the buyers impose? If I can't, can I do it collectively? Can I afford collective action (time, money, effort)? Can I define new markets that play to my strengths?

To exercise agency, small-scale producers will need to think through both the global and national context, to understand where policy-makers are coming from, and to think through their own position in their local context.

6.1 Why will small-scale production and small-scale producers continue to matter? Are expectations for small-scale agriculture and smallholders too high?

Food and agriculture policy debates, particularly those involving developing countries, tend to focus on poverty reduction and/or on raising food supplies (increasing productivity). Small-scale producers need to think through these debates to understand the context in which they are making any policy demands.

There is a debate among food and agriculture policy-makers and academics as to whether small-scale producers are part of the solution to rising demand for food, or a hindrance because the important thing is to industrialise production. On the latter side are economists such as Paul Collier and Stefan Dercon, who say improved agricultural productivity hinges on three elements: skills and technology; finance and access to capital; and, the organisation and logistics of trading, marketing and storage (Collier and Dercon, 2009). For none of the three elements, they argue, is the size of the landholding necessarily relevant, but the shift to a "formal and institutionalised" form of organisation is. Ultimately, all three elements, they argue, are more closely correlated with larger producers; small-scale producers have not (for the most part anyway) got what it takes to meet the demands.

Linked to this kind of analysis are some of the development experts, who argue that agriculture is something of a dead end if reducing poverty is the objective (Maxwell, 2004). They look at the empirical evidence and argue that non-agricultural sectors have more to offer in terms of employment creation and income generation.

A 2010 study released by the UN University WIDER (World Institute for Development Economics Research) also reviews the empirical evidence, trying to answer several more precise questions (Christiaensen, Demery & Kuhl, 2010). Among their conclusions, the authors found that agriculture is much more powerful than non-agricultural sectors in reducing poverty among the poorest of the poor, as long as inequality is not too high (inequality will lessen the poverty-reducing power of any growth strategy). In some settings (for instance sub-Saharan Africa), agriculture is 11 times more poverty reducing than the alternatives, largely because of the sheer numbers of people already working in agriculture.

At the same time, the authors of the UNU-WIDER study agree with Steve Wiggins and many others that the smallest of the small-scale producers will not stay in agriculture. The WIDER study surmises that one-third to one-half of small-scale producers will leave the sector, most of them because they do not have enough land to stay in business.

This raises important questions for small-scale producers, not least as they are encouraged by governments, NGOs and by one another as well, to form cooperatives and other forms of economic coordination that rely on a high level of trust and collaboration. How inclusive should the collective be? Should all have a chance, knowing that some will fail? Might including those too small to be likely to survive jeopardise everyone else's chance to make a go of the venture? What will leaving those least likely to survive out of a collective mean for those small-scale producers, and for the community as a whole?

The most consistent thread running through 50 years of rhetoric, ideology and actual spending on agricultural development has been the focus on raising productivity (Shaw, 2007; Ray, 2009; Sumberg, 2006). This means that the public's interest in agriculture is to a large extent dictated by how much food is grown (and what it ends up costing), not on how that food is grown, nor on who grows it. In a few countries, 80 per cent or more of the population lives from agriculture and everyone cares, but in many countries (and

in the countries where development assistance originates in particular), agriculture is the work of a small, sometimes tiny, minority, while food is eaten by absolutely everyone. A small-scale producer's perspective on food issues is likely to differ from the views that government officials hold, and from the views of other constituencies as well. The emphasis on productivity among the wider policy community is an instance of this gap.

Conceptions of how productivity should be raised have evolved over time, as described in the preceding pages. But there is what Sumberg (2006) calls a "hard core" of ideas that persist: "the need for applied agricultural research, productivity-enhancing technology, functional extension services, production credit, and improved input provision systems." Over the last decades, this core of policies has seen fluctuating levels of investment and different accompanying policies. Today, in the wake of the global food crisis, as well as rising uncertainty due to climate change, water scarcity, and decreasing soil fertility, productivity is again positioned front and centre in the policy debate. The global population continues to grow, the number of people living in hunger is rising again, too, and the resources and technologies that seemed to have solved the problem are no longer delivering. What next?

For small-scale producers, the way the discussion on productivity plays out is not necessarily helpful. The evidence suggests that only a sub-set of small-scale producers is in a position to take advantage of technology and other inputs to become larger-scale producers (Wiggins, 2009; Collier & Dercon, 2009). Proximity to markets, quality of land, growing conditions, land distribution patterns, access to social and economic capital (including education, money, social institutions) all play a complex and interactive part. In any discussion on productivity, there are powerful voices in the debate that insist small farmers are part of the problem, not the solution. And many more agree that whether or not small-scale producers are key, half (and sometimes more) small-scale producers do not have enough land to be able to raise their productivity enough to end their poverty without leaving agriculture.

Historically, rising levels of agricultural productivity have often been associated with increased concentration of landholdings, reduced employment on the land, and rising levels of market power in the processing and distribution of food. Many of the sources of rising productivity since the Second World War have depended

on monocultures of specific hybrid plants that depend on external inputs that require capital-intensive production. The seeds themselves have to be purchased, and the equipment required to best cultivate the seeds is not cost-effective on small plots. More recently, the centralisation and globalisation of processing and distribution has created pressures to invest in storage and processing equipment, on farm or near to the point of harvest. These are prohibitive costs for most small-scale operators. Government policy can counter this trend, as can private voluntary associations of producers, but they are generally trying to catch up and conform to a system focused on outcomes that tend to eliminate small-scale producers from agricultural production.

How else might the productivity issues be framed so as to play to small-scale producer's strengths? Yet the problems associated with concentrated agricultural production give small-scale producers the opportunity to advocate a different development path. There is a growing body of evidence that small-scale producers can (and do) achieve high levels of productivity, especially when the indicators start to take into account more environmentally sensitive indicators. The research remains controversial—persuasive to those disposed towards small-scale production, and unconvincing to those who see small-scale production as a distraction (or worse).

Small-scale farmers need to be part of the debate. What can small-scale producers contribute in the current context of rising demand for food coupled with a need for significant levels of adaptability (to face water shortages, soil depletion, climate change) and unstable global finances?

From a small-scale producer's perspective, the discussion is usefully broadened to consider other ways to improve supply: avoiding post-harvest waste, for instance, by improving storage, marketing and distribution systems. Small-scale producers might build shorter food supply chains that focus on face-to-face sales between farmers and consumers, for example, or look for spatial proximity (getting retailers, canteens, or government-run services that offer food such as schools and prisons to use local growers). They might focus on information-rich exchanges, such as the goods offered in fair trade schemes, that allow them to turn to advantage some of the aspects of their production and organising that a purely market-based approach cannot capture (Sumberg, 2006).

6.2 An exit strategy. Does the future for small-scale producers lie in leaving agriculture for jobs in urban settings or abroad?

One of the compelling models for agricultural economists, looking around the world for models to replicate, is the Brazilian Cerrado, which has developed over a period of decades into a highly productive, relatively profitable, fully modernised agricultural system (The Economist, August 2010). Many commentators, asked what agriculture is moving towards over the next 50 years would describe agriculture that has boosted output significantly and looks capable of continuing that productivity growth; an agriculture with land and water in reserve; able to sustain a large cattle herd (it does not necessarily have to be efficient, but capable of improvement); not dependent on massive state subsidies; and maybe with lots of savannah available. The state plays a critically important role, but does not engage directly in buying and selling crops. Small-scale production gives way to a larger-scale.

This view of agriculture fits with the widely held assumption that economic development will be accompanied by a demographic shift from rural to urban areas (Collier and Dercon, 2009; Timmer, 2009). This pattern of migration is of critical importance for analysts looking at the opportunities and risks associated with markets for small-scale producers. How much can be learned from the past? How much has changed as economies have globalised and as richer countries have all but closed their borders?

Through the past several centuries of history, industrialisation and the generation of decently paid work for the large share of a given country's population has been accompanied by large population shifts, either from rural to urban areas or from rural areas in one country to another. The migrants of Europe moved in their millions to the Americas, Australasia and to colonies in Africa and Asia. For a handful of developing countries today, high levels of migration are the norm, too. Countries that border richer economies, countries such as Mexico and Tunisia, have something like 10 per cent of their labour force working overseas at any one time (Losch, 2008). But such numbers are unimaginable for the majority of developing countries. Where would their people go? Rich countries are in political turmoil over migration, and looking to reduce their already modest intake of migrants. Most migration takes place within developing countries, with or without crossing a

border. But few developing country economies are producing anything like enough jobs to offer a viable alternative to subsistence agriculture. The empirical evidence suggests that people who leave the village for the town do better economically, but the pattern is not stimulating the hoped for virtuous circle that would leave fewer farmers producing food for a growing and relatively wealthier urban base.

Nonetheless, policy initiatives to reduce the population employed by agriculture are common. China is talking about cutting rural employment from 900 million to 100 million by absorbing 800 million farmers into new and existing cities. That's a population only 30 million less than all of Europe combined, including Russia and Turkey. The Chinese government claims if they could achieve the agricultural productivity levels of the United States, China would only need 100 million people in the rural sector (Gallagher, June 2010). Clearly, these will not be small-scale producers.

Economists such as Paul Collier would like to see Africa undergo a similar pattern of industrialisation of agriculture, learning from the Brazilian experience, so as to grow more food, generate more jobs, and thereby reduce poverty (Collier & Dercon, 2009). Others disagree, pointing out the many past failures to industrialise agriculture in Africa, and the undesirable social and economic consequences of pushing people off the land in economies where there is too little industrialisation to absorb the labour made available in services or industry. This concern about what small-scale producers are meant to do if they are pushed off the land by economic development, whether state-led or the result of private sector activity, is one of the questions asked by Bruno Losch and his team at the World Bank, with in-depth surveys to better understand where and how rural households across a mix of developing countries earn their household income.

A government's perspective on whether agriculture is a priority for employment creation or whether jobs should be created elsewhere in the economy is of profound importance to small-scale producers.

6.3 Markets for the poor or markets of the poor? Formality vs. Informality

In their discussion of what small-scale producers may or may not have to contribute to productivity and national economic growth, Collier and Dercon are talking about what small-scale producers can do for formal commodity markets.

The Knowledge Programme network members are integrating a third theme, for which the working blurb is: "Markets of the poor: informality, economic rationalities and small-scale producers' agency". Over the past two decades there has been a strong focus on linking small-scale producers to export markets and their integration in formal systems. Initiatives by governments, donors and businesses have tried to 'make markets work for the poor'. This has diverted attention from 'markets of the poor'. And yet domestic markets for low-income consumers and international 'ethnic markets', whether for bulk products or speciality products, are the markets for the majority of small-scale producers.

The Knowledge Programme research looks at a variety of markets based on informality/family-transnational family social networks in a globalised environment where small-scale producers are exercising their agency. The research will also look at the policies and public-private arrangements that are supporting – or hampering – these initiatives. Initiatives based on family, ethnic or cultural ties have developed strategies to enter and stay in markets that can work extremely well. From local and niche markets, there is evidence of 'new business models,' some of which have been able to compete with transnational brands (e.g. Kola Real versus Coca Cola and Pepsi Cola). Migration, remittances from abroad, decentralised governmental policies and donors' recent focus on reducing poverty are all factors that have created links between rural to urban development. In the years since the food crisis of 2007-2008, markets based on these more informal ties are said to be expanding, not least because the costs of entering formal markets continue to rise, putting them increasingly out of reach.

There are a number of research questions that need to be addressed in this area. For example, traditional wholesale and retail food markets still feed the lower middle classes and the urban poor. What changes are occurring in relation to urbanisation, the regulations that control markets and the expansion of supermarkets? Where might policy or regulation assist to facilitate informal markets and/or other ways to encourage small-scale producers as suppliers and buyers in these markets?

Also, traditional relationships and rural-urban links can promote vibrant domestic and international market access for small-scale producers. Social networks, migration and remittances can be understood as strategies to support such access in the absence of state support. How does this look?

Sophisticated cultural habits of food production and consumption vary enormously around the globe. Many are very different to western habits. The reach of many non-western diets is expanding with rural-urban migration and the migration of families from developing countries to other developing countries and to the industrialised world. There are examples of this in the development of new trade opportunities for Pacific Island communities, selling some of the traditional foods to burgeoning communities of Pacific Islanders in New Zealand and Australia.

Access to markets for small-scale producers of products with specific territorial or cultural claims might link to discussions on geographical indicators now underway under the aegis of trade talks. It will be important to find out what kinds of producers are involved, how many there are, and where they are. How many kinds of markets are operating at the local, national and international levels? What factors, and what national and international policies, are facilitating or impeding access to these markets, including intellectual property rights and quality standards. What institutionalised public-private arrangements/partnerships exist, and how do these external initiatives build small-scale producers' agency, if at all?

6.4 Where do small-scale producers fit in the new debates on trade and investment?

One of the most headline grabbing of agricultural trends in the past two years has been dubbed "land grabbing" by much of the media and even some of the academic community. The phenomenon has shone a bright and unflattering light on how rich countries with poor agricultural land potential react to the possibility of uncertain trade supplies: they react by seeking to buy or lease land in (often much) poorer countries, to grow food that can be exported back to the home market.

The World Bank has joined with the FAO, IFAD, UNCTAD and others to devise "Seven Principles for Responsible Agricultural Investment." These have been widely criticised by many, including the UN Special Rapporteur on the Right to Food, Olivier de Schutter, who commented, "The principles seek to ensure that large-scale land investments result in "win-win" situations, benefiting investors and directly affected communities alike. But, though well-intended, the principles are woefully inadequate..." (de Schutter, June 2010).

While the principles are indeed grossly inadequate, the World Bank report does make some important points. Not least of these is the acute vulnerability of the poor, many of them small-scale producers, because their land tenure, whether based on private contracts, communal law or an agreement with the state, is so tenuous (World Bank, September 2010). The report says that it is very often the poorest countries, with the worst governance records, that have attracted the most interest from foreign investors:

However, countries with poorer records of formally recognized rural land tenure also attracted greater interest, raising a real concern about the ability of local institutions to protect vulnerable groups from losing land on which they have legitimate, if not formally recognized claims (World Bank, 2010, p. xiv).

With all the privatisation, liberalisation and deregulation of the past 30 years, land holdings have remained relatively protected in many countries, even though land laws have evolved in that time. With the food crisis and the surge in interest among some richer countries to find ways to guarantee their food supply by creating off-shore farms, governments who hold that valuable land (and water) supply are making decisions that affect not only small-scale producers but the wider economies that small-scale producers contribute to. How will small-scale producers respond to these new pressures on their natural resource base?

Global trade, too, is in flux. In the years following the passage of the Uruguay Round of trade agreements in 1994, one of which established the WTO, farm organisations and NGOs alike focused on critiques of the Agreement on Agriculture (AoA): the Agreement's failure to end subsidies used by rich countries; its inadequate treatment of food security; its emphasis on exports and silence on the effects of rising levels of food imports on small producers trying to sell in their local markets. These criticisms have not gone away. But with the Doha negotiations to review the AoA rules paralysed, a new wave of commentary has emerged that emphasises instead where new rules should focus. For example, the AoA rules seek to curb over-production, a problem that plagues rich country agriculture. But the rules fail to consider the challenges posed by under-production, a problem that confronts many developing countries (Konandreas, 2009).

The UN Special Rapporteur on the Right to Food, Olivier De Schutter, wrote an addendum to his annual report in 2009 challenging governments to

rethink multilateral trade rules from a human rights perspective (De Schutter, 2009). His proposals include that governments better document who their rural populations are, better examine how trade rules are affecting different populations within the farming community (particularly the most vulnerable farmers and farm workers) and build greater self-reliance into their food security and trade policies.

The trade policy community itself has changed profoundly in the WTO's history. The United States and the EU have lost their dominant voice in global trade talks. The shift has been still more dramatic for former heavyweights such as Canada and Japan. Among the countries now playing a central role in trade talks are Brazil, China and India. These new voices are all countries with industrialised agricultural systems that at the same time are home to hundreds of millions of small-scale farmers. This shift in the geopolitics of trade negotiations opens up some possibility of a different global framework for trade that would be more supportive of small-scale farmers' interests.

South-South trade in agricultural commodities has been growing steadily in recent decades (UNCTAD, p. 49, diagram 4.3. 2008). The trend makes a lot of sense: population growth is overwhelmingly occurring in developing countries (as are the most rapid gains in wealth), while many of the agricultural powerhouses are also, in the developing world, including Brazil, Argentina, South Africa, Thailand and some of the former Soviet Republics.

With the global food crisis of 2007-2008, there has been a clear, if still unstable, shift upwards in average global commodity prices. Although the short-term outlook for the major traded agricultural commodities is for sharp declines (FAO Outlook, 2010), Russia imposed a ban on wheat exports early in August 2010, pushing already high wheat prices higher still. The US President Obama recently signed into law legislation to re-establish tighter controls on the operation of commodity futures markets. One of the significant agricultural policy initiatives pushed by the World Bank over the past years was to create local commodity exchanges in developing countries, to bring risk management tools within reach of developing country producers. One such exchange opened recently in Ethiopia. For now, farmers have not rushed to take up the new opportunity to manage their risk.

6.5 From 'participation' to 'agency': how to meet small-scale producers' expectations and reality?

But country ownership in agricultural and rural development must go beyond ownership by our governments and administration. Therefore as legitimate and autonomous membership-based producers' organisations we claim our duty and rights to be part of the design, implementation and evaluation of these rural development policies and programmes that are benefiting not only our rural communities, but our urban fellow citizens who rely on the food we produce. (excerpt from: A synthesis of deliberations of the third global meeting of the Farmers' Forum; on the occasion of IFAD's Governing Council, February 2010. Rome)

For the Knowledge Programme to explore fully what agency implies, participants need to re-examine some of the "successes" of the past decade or more. For example, Dr Sudhirendar Sharma, takes another look at value chains in recent papers, noting the ambiguities and pitfalls in the assumptions that underpin a value chain approach as a solution to small-scale producers' lack of market power (Sharma 2010). He notes the fact that markets contract and expand, yet small-scale producers are in part defined by their relative lack of capacity to cope with such changes because they have relatively few resources to call upon. He also points out that the logic of a market-based approach such as the value chain is to create competition that allows the best producers to rise to the top of their market. The point of that activity, for free trade economists at least, is to eliminate the less efficient producers from production. Is this outcome something small-scale producers and their organisations choose to embrace?

Despite the continuing arguments over the future, there is much less dissent today than there was five years ago about small-scale producers being an essential part of today's food supply. They are not just suppliers for niche markets, but the primary source of staple foods for most of the world's people. The etc Group (an NGO based in Canada) estimates that peasant agriculture feeds at least 70 per cent of the world's population (etc Group, 2009). The market value of Africa's food staples is estimated to be US\$ 50 billion per year (COMESA, 2007), with a further US\$12.5 billion or so produced and consumed outside commercial markets. This production is almost entirely (some say 90 per cent) from farms that are less than two hectares in size (Wiggins, 2009).

Coupled with a renewed understanding of the importance of small-scale producers is a policy focus on encouraging farmers and their communities to organise. There has been a powerful shift in the public and decision-makers' perception of who farmers are. This shift is reflected in the policy debate at national and intergovernmental levels. If the FAO wants to consult with farmers, it will not just invite its traditional partner, the International Federation of Agricultural Producers (IFAP), but also La Via Campesina, which was founded less than 20 years ago but which has grown to become a powerful voice for the interests of small-scale producers and peasants. La Via Campesina has opened a space for peasant farmer organisations in the global policy debate. It has also pushed the established farmer organisations to diversify their membership, creating an outreach to developing countries in particular. La Via Campesina has pushed development NGOs working with farmers to stop speaking for farmers in their advocacy work, and to invite farmers to speak for themselves instead. At the national level, too, some countries have seen an important shift in favour of farmers' voices. For instance in Senegal, farm associations have come to play an important political role where once farmers were largely excluded from political decision-making. In different ways, President 'Lula' da Silva in Brazil, President Evo Morales in Bolivia and the Sandinista government in Nicaragua have all been more receptive to rural issues, including the role of small-scale producers, than were their predecessors.

Yet the policy debate on food and agriculture remains largely the domain of academics and researchers, of NGOs and intergovernmental officials. The number of farmer organisations with policy capacity is minute, and the ebb and

flow of objectives and priorities for investment in agriculture continues to be controlled by interests other than those of farmers. A key challenge continues to be how to engage with farmers and their organisations, and not just (or even primarily) in the intergovernmental debate, but above all in the local, regional and national decision-making that sets so much of the context within which small farmers must operate. This is not to ignore the tension that exists over how much farmers want to engage with this broader policy space, versus focusing on their business needs. There is a constant push and pull in deciding how much to try to change the system and how much to focus on getting better at working with the system as it is.

Linked to this changing but still far from complete evolution of the political debate is the question of women farmers. Women farmers are no longer invisible; indeed, hardly a speech is made by an agricultural or development official at the UN or in international meetings without women farmers receiving a special mention. Yet enormous cultural, institutional and legal battles have still to be fought for women to attain something like equity with men. One of the challenges for advocates of small farmers and food sovereignty is to ensure that entrenched cultural and social biases that discriminate against women are not allowed to block women's emancipation, whether economic or political. It is clear there are potentially significant challenges in supporting increased agency for women within communities at the same time as investments are made to support stronger agency of those communities in their dealings with the wider world. As Sumberg points out, it is also a challenge to make sure such initiatives do not lock women into existing roles within agriculture, but give men and women alike more choices. (Sumberg 2006).

Concluding thoughts

This paper is the first in a series produced by the Knowledge Programme 'Small producer agency in globalised markets' on these challenging issues. Thematic papers are being worked on in Latin America, Africa and Asia and a series of Provocative Seminars is being organised in Europe. All these contributions are an invitation to all those involved in the world of agriculture and food to contribute their thoughts and insights. For more information visit the IIED and HIVOS websites.

The moment seems ripe for opportunities for small-scale producers. Their production meets a universal human need, and demand for food is growing. The knowledge and experience of small-scale producers is very much in demand. But there is no question that, as in the past, there are visions of development that would ignore them, and others that see small-scale producers as a problem.

What might be different this time? First is the lack of consensus on technology. The Green Revolution of the 1960s entailed significant investment in inputs that were derived off-farm and therefore represented a new capital cost for farmers to absorb. This time, in part informed by the unanticipated social and environmental costs of the last Green Revolution, there is a big and relatively open debate. There are not just NGOs and farmers' organisations on both sides of the debate, but national governments and inter-governmental institutions as well.

Second, climate change has given a whole new impetus to longstanding environmental concerns as to the sustainability of agricultural practices. Choices about what people eat and how it is grown have taken on an environmental dimension that has been lacking in industrial societies since the time that food production became a specialised activity that takes place away from where the majority of people live. Farmers have always worried about the weather; now consumers are worrying about the weather, too.

Third, visions of development are shifting. The public resources made available to development, as we have seen, are subject to their own fashions and whims. But it can be argued that there is a moment of greater pragmatism in the fashion; that the certainties of the 1980s and 1990s have eroded under the (heavy) weight of global economic recession, increased volatility in agricultural commodity prices and the real, if hard to cost, burden of unaccounted for environmental damage.

In all this, small-scale producers need to answer some questions and to think through some of the questions being asked around food and agriculture to understand where best to put their time and energy. Where can some synergy be created between their need to survive and thrive in uncertain times and the global policy debates that are putting small-scale producers in the mainstream of the discussion?

The challenges are many but the opportunities for change in agriculture have not been greater since the world emerged from the carnage of the Second World War. Historian Eric Hobsbawm has famously written that the most profound social change of the second half of the 20th century was the "death of the peasantry." Perhaps a profound social, economic and political change of the first half of the 21st will be their resurrection – or at least, their return to favour as fully modern economic actors. This paper has described where that renewed support for small-scale farmers can be found in the current debate. It is found in governments' food security concerns, in agribusiness's interest in securing supplies and developing new markets, in consumers' demands for more equitable trade, in intergovernmental organisations putting more emphasis on tracking abuses of international law and human rights, and in small-producer organisations professionalising their role with younger and better educated leaders. The challenges ahead are surely enormous, but to paraphrase Mark Twain, it would seem reports of the peasantry's death may have been greatly exaggerated.

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Knowledge Programme

Small Producer Agency in the Globalised Market

The Knowledge Programme Small Producer Agency in the Globalised Market aims to map, elicit and integrate knowledge on the dilemmas confronting small-scale producers in global, regional and national markets. The programme works with different actors to bring new voices, concepts and insights into the global debate. It thereby seeks to support the development community, including policy makers, producer organisations and businesses in their search for better informed policies and practices. The programme is led by the Humanist Institute for Development Cooperation (Hivos) and the International Institute for Environment and Development (IIED), and integrates a global learning network, convened by Mainumby Ñakurutú in Bolivia.

Changing Perspectives: Small-scale farmers, markets and globalisation

This paper, the first in a series from the Knowledge Programme Small Producer Agency in the Globalised Market, maps and summarises the debate on small-scale farmers and their relationships to globalised and globalising markets. It documents views on small-scale farming as the process of globalisation evolves and analyses how small-scale farmers have navigated the changes brought about by globalisation. The paper describes five broad narratives on how different actors see small-scale farmers in the context of globalising markets, and explores how the 2007-2008 global food crisis and its aftermath have challenged these narratives.

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