

## Policy pointers

**Linking small-scale** producers to agricultural value chains raises questions over 'agency': ensuring rural people can choose, act and ultimately effect change.

**Socio-legal** empowerment for producer agency fosters grassroots responses to power imbalances in value chains, enabling rural producers to better understand, organise and engage with other actors.

**Socio-legal** empowerment may involve producers accessing information about legal rights or market prices; developing organisations to influence policy or business; or mobilising legal support to challenge unfair contracts.

**Scaling socio-legal** empowerment requires more than just replicating specific approaches: the key is to invest in bottom-up processes that can generate solutions tailored to each context.

## Actors of change: can socio-legal empowerment support rural producer agency?

Growing numbers of policies and programmes aim to integrate small-scale rural producers into agricultural value chains, mobilising concepts such as 'inclusive business' to promote approaches whereby firms equitably include low-income groups. But significant questions remain over how best to: recognise the possibly divergent visions, interests and constraints of different actors; address often substantial power imbalances; and ultimately promote agency among rural producers and their communities — that is, their ability to choose, act and influence realities around them. Based on a review of trends in commercial agriculture and experience of supporting rural producers and communities in various countries, this briefing develops a conceptual framework to further understand, test and strengthen the contribution that socio-legal empowerment can make to enhance the agency of rural actors as they engage with, or are affected by, commercial agriculture.

### Key concepts: rural producer agency and socio-legal empowerment

New public policies and changing economic fundamentals have spurred private sector investment in commercial agriculture in low- and middle-income countries — from production to aggregation, processing and distribution. This trend presents both risks and opportunities for rural actors. Gaining access to local, national or global value chains could transform the livelihoods of millions of rural people. But ill-conceived approaches can lead to exploitation, expose producers to damaging commodity price cycles and drive inequality.

While public narratives have embraced the concept of 'inclusive business' to promote more equitable agriculture, questions remain about

what this 'inclusion' means in practice. The key issue here is *agency*: defined as the ability of small-scale rural producers and members of their wider communities to choose, act and ultimately effect change, whether individually or collectively.

Legal rights and processes provide one entry point for rural actors to exercise agency by interrogating and renegotiating the ways in which markets, policies and practices affect them. Possible pathways include seizing livelihood opportunities; attracting supportive investments; resisting adverse developments; reconfiguring contractual relations; promoting national law reform or obtaining redress. The notion of socio-legal empowerment describes this combination of recourse to law with various other strategies — from collective action to developing greater business savvy.

## *Structural factors place producers at a disadvantage, so integration into value chains does not automatically deliver hoped-for benefits and can pose risks*

The questions are many: can socio-legal empowerment help rural actors to **make informed choices**, for example about whether and how to engage with different value chains?

Can it enable them to **take effective action**, for example to capture a fair share of the value generated, or influence policy reform? Can it help rural actors to **effect the change they seek**, for example by amplifying their voices in value chains or policy processes? And what approaches work best for different

producers, in different contexts, in relation to different value chains?

### **The many faces of commercial agriculture**

Commercial agriculture is changing. Agribusiness-driven value chains for agro-industrial commodities such as palm oil, rubber and sugar are expanding their geographic reach, and many large food retailers — from global players to smaller businesses — are engaging more directly with upstream segments of their value chains.

But while some public narratives emphasise the place of such 'modern' value chains in agricultural pathways, local markets are often important. Many small-scale farmers sell their produce via local traders, kinship relations and other social networks, and the relative importance of many local or regional markets is growing.

The extent to which agricultural value chains are formalised varies greatly, as do the contexts in which they are embedded, and their terms. But structural factors tend to place small-scale producers at a disadvantage vis-à-vis their suppliers and buyers, including:

- Asymmetries in access to information, knowhow, finance and business relations
- Power imbalances deriving from concentration in activities upstream or downstream of farming
- The differentiated ability of value chain actors to influence public policy and respond to market fluctuations.

Under such conditions, integration into value chains does not automatically deliver hoped-for benefits and can pose risks. Interventions to include small-scale growers in formal value chains tend to reach the better resourced, informed and connected farmers — and the

more commercially minded ones. The integration of elite farmers into formal value chains can affect other local livelihood strategies both positively and negatively — for example, by creating employment opportunities on small-scale commercial farms, or polluting water sources. Women can suffer disproportionately, particularly if a transition to commercial crops triggers a spike in land prices, meaning they can no longer afford plots.

### **Socio-legal empowerment for rural producer agency: mapping the terrain**

Small-scale producers rely on many different strategies to approach negotiations with buyers and suppliers from a position of greater strength. These include adopting more effective farming techniques, developing rural infrastructure such as storage facilities, and accessing business incubation services.

Situated within this wider spectrum, socio-legal empowerment is about more than enabling producers to secure a fairer deal in monetary terms. The core idea is to enhance the processes that rural actors use to advance their vision of 'development' — by making more informed choices, taking more effective action and bringing about lasting change in value chains and public policies. Nurturing agency in this way entails a focus on small-scale producers and members of their communities as the key actors — and recognising that they may mobilise support from a wide range of service providers to accomplish their goals.

A 'socio-legal empowerment for agency' perspective must also take social differentiation into account. And since communities do not uniformly participate in growing a certain commodity, different aspirations and possibly trade-offs may foster divisions. In such settings, multiple actors within the same community or value chain could mobilise different socio-legal empowerment approaches, perhaps to pursue divergent goals.

Documented approaches tend to target three interlinked spheres of action:

- **Understanding:** rural actors acquire socio-legal knowledge and knowhow about commercial agriculture — including in terms of legal rights and applicable law, market analysis, and how to structure business or contractual relations. Information may be accessed through different channels, such as posters, videos, radio, village theatre, exchange visits, training, dialogues, social networks and communication technologies.

- **Organising:** rural people develop loose or more formal organisations for collective or coordinated action. These may be primarily economic — for example, aggregation mechanisms such as rural cooperatives to increase farmers' negotiating clout; or primarily political, such as national federations working to reform laws that affect agriculture. Developing organisations may rely, at least in part, on socio-legal support.
- **Engaging:** rural producers and communities engage with other actors, whether individually or collectively, to strengthen their position relative to agribusiness, including organisations that can provide the necessary socio-legal support. Goals can be as diverse as securing land rights: (re)negotiating offtake agreements with buyers; advocating for policy or legal reform; or seeking redress in court.

Socio-legal empowerment may sustain one or more of the three spheres of action in a wide range of areas — reflecting the diverse types of relationships involved when rural actors encounter commercial agriculture (see Table 1).

### What difference does socio-legal empowerment make?

Although there is limited research on the impact socio-legal empowerment can have on systemic inequalities in value chains, the available evidence provides some initial pointers. The extreme diversity of settings in commercial agriculture — from largely informal trading via local intermediaries, to tightly integrated global supply chains — means that legal empowerment needs to be context-specific. Approaches should also be carefully calibrated to take account of — and address — the high degree of social differentiation in rural areas.

While the evidence base is patchy, case studies suggest that, in some contexts at least, socio-legal empowerment approaches *can* help achieve positive outcomes — including fairer value chain relations and more balanced farmer-agribusiness contracts (see Box 1 and Box 2, respectively). While locally 'owned', many initiatives will need to operate across national boundaries to work. Sustaining them may require alliances between actors with complementary expertise, who can act at different policy levels in different places.

From a socio-legal empowerment for agency viewpoint, the process that made these advances possible is more significant than the specific arrangements that were adopted as a result. Scaling cannot merely involve rolling out 'successful' models — a given organisational

**Table 1. Socio-legal empowerment in agricultural value chains: illustrative activities**

Spheres of action	Illustrative activities
<b>Understanding</b>	<p>Producers from a marginalised ethnic group attend trainings on relevant rights and applicable law, or on options for improved land access or more secure land rights.</p> <p>A cooperative of women farmers obtains advice on pricing arrangements and technical specs, or on issues affecting intra-household control over revenues.</p> <p>Value chain workers access information on labour rights, minimum and/or living wage, gender equality, or employment conditions.</p>
<b>Organising</b>	<p>Livestock rearers create effective producer organisations for aggregation and collective negotiation with buyers, or national apex organisations for policy influence.</p> <p>Farm workers develop trade unions at company, local, sector and national levels, or enhance women's representation in union leadership.</p> <p>Women whose land access has been eroded by a transition to cash crops form an association to strengthen their representation in land governance institutions.</p>
<b>Engaging</b>	<p>Farmers cultivating small plots get support to negotiate increased land access (such as via private leases or government schemes), or to pool land via a cooperative.</p> <p>An informal coalition of women farmers links up with a specialised organisation and develops locally controlled seed production, or establishes favourable arrangements with commercial input providers.</p> <p>Producers with the support of a lawyer negotiate offtake agreements with buyers, or challenge unfair terms in court.</p>

configuration or a standardised template for contract farming, for example. Rather, scaling requires sustained investment in bottom-up arrangements that can facilitate the emergence of context-specific pathways, based on informed choice and action by the people concerned.

This emphasis on agency does not imply that the structural factors and the systemic issues at play — whether in value chains or policy arenas — are irrelevant. Rather, it promotes a grassroots approach to tackling them. At the same time, the magnitude of the systemic factors makes it important to share experiences internationally to enable more rural people to shape effective responses.

### Moving forward

In contrast to the vast literature on agricultural value chains and rural producer organisations, there is relatively little granular documentation of socio-legal empowerment or rigorous assessment of its relative efficacy. There is also limited evidence as to the conditions that made

## Box 1. Kenyan farmers leverage information and supply chain dialogue for a better deal

In Kenya's Meru county, many small-scale farmers sell green beans to an international exporter that has a contract with a large grocery retailer in the UK. Faced with value chain issues that affected their lives, a group of farmers obtained support from the Kenya Human Rights Commission (KHRC), which is a national non-governmental organisation, and from UK-based organisation Traidcraft Exchange.

Through a series of learning sessions, the KHRC provided the farmers with information about their rights, grievance handling, learning from demonstration plots and ways to engage value chain actors. To facilitate dialogue, the KHRC and Traidcraft Exchange also convened yearly 'ways of working' meetings between the exporter, the UK retailer, farmers' groups and representatives of packhouse and field workers. Some of the farmers and packhouse workers travelled to the UK, where they met representatives of the retailer and enhanced their understanding of the consumer end of the value chain.

The information and dialogue enabled the farmers to explore collaborative solutions to value chain problems with their buyers. For example, the growers improved their cultivation practices through increased access to agricultural extension and training. The exporter agreed to include minimum volume and pricing arrangements in its contracts with the farmers, provide swifter feedback on quality in case of rejections, and pay farmers within two weeks for delivered beans. The retailer changed the trimming specification and consumer pack design, which indirectly resulted in farmers being paid more.

As a result of the new arrangements, farmers have experienced higher and more predictable incomes, and have a stronger voice in the value chain. These benefits strengthened the relationship between the growers and their buyers, increasing security of supplies for the UK retailer.<sup>1</sup>

## Box 2. Using legal representation to challenge and renegotiate unfair contracts in the Philippines

As part of its agrarian reforms, the government of the Philippines introduced 'outgrower' contracts between beneficiaries and agribusinesses. But many farmers thought the contracts were unfair, and a group of small-scale banana growers sought to secure fresh terms. Farmers went on strike when attempts to promote dialogue, including with the government, failed to break the deadlock. With socio-legal support, the growers were able to challenge the contracts in national courts, and make their voice heard in the Philippines and beyond, ultimately winning better terms.<sup>2</sup>

any advances possible; on the scalability or replicability of those advances; and on the extent and conditions under which socio-legal empowerment might redress structural imbalances. Rich research opportunities remain to assess what works, how and why.

From 2019 to 2021, a new action-research project will test socio-legal empowerment approaches in Malawi and Nepal, and feed lessons into law reform in the two countries and beyond.<sup>3</sup> In addition to promoting change in relevant local, national and international arenas,

the project will provide an opportunity to critically assess socio-legal empowerment approaches and the conditions that enable them to sustain producer agency in agricultural value chains.

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ISBN 978-1-78431-658-7

This research was funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the views of the UK Government.



## Notes

<sup>1</sup> Box 1 draws on the following sources: Kambo, M and Kariuki, E (forthcoming) 'Ways of Working' Agreements: Rebalancing Power in a Global Horticulture Supply Chain. IIED, London; Kenya Human Rights Commission (2014) Annual Report. See: [bit.ly/2TTMePY](http://bit.ly/2TTMePY); Kenya Human Rights Commission (2016) Annual Report. See: [bit.ly/2ecytdC](http://bit.ly/2ecytdC); Kenya Human Rights Commission (2017) Annual Report. See: [bit.ly/2Cmfg3C](http://bit.ly/2Cmfg3C); Kenya Human Rights Commission. [www.khrc.or.ke](http://www.khrc.or.ke); and personal communications from Kenya Human Rights Commission and Traidcraft Exchange UK staff. / <sup>2</sup> Box 2 draws on Berger, T (25 May 2018) Supporting small-scale farmers in negotiations with agribusiness. [www.iied.org/supporting-small-scale-farmers-negotiations-agribusiness](http://www.iied.org/supporting-small-scale-farmers-negotiations-agribusiness); and The Foundation for Agrarian Reform Cooperatives in Mindanao (FARMCOOP). [farmcoop.coop](http://farmcoop.coop) / <sup>3</sup> IIED, Empowering Producers in Commercial Agriculture (EPIC). [www.iied.org/empowering-producers-commercial-agriculture-epic](http://www.iied.org/empowering-producers-commercial-agriculture-epic)