Large-scale land based investments, profound agrarian change and development trajectories

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Profound transformation of agrarian societies

- LSLA = Top of the iceberg
- Profound transformation of
  - Agricultural value-chains
  - Agrarian societies
  - Property right systems (land, NR use, ...)
  - ...
- Discussing agriculture and LR, in context of broad agrarian transformations
New interest into agriculture/NR

• 2 trends/dynamics
  – Integrating land into (agribusiness) structures
    • LSLA phenomenon
    • “land grab”
  – Integrating finance/non-agribusiness into agricultural value-chain
    • Non-land based investments (financial tools)
    • Companies acquiring shares into the value-chains
      – Taking over debt – in return of control of production
      – Equity
    • No control over land perse, but over the value-chain
    • “production grab”

• Initially parallel trends, now tend to intermix
1) Financialization/corporization of agriculture

- New types of actors (Macro-actors - engineering, financial, industrial sectors)
  - New development models

- Non-agricultural paradigms
  - Generation of new productive agricultural models & redefinition of orthodox frontiers of the agricultural sector (IRR – 20-25%)
  - Agriculture equivalent to any other sector
2) Parallel and closed value chains, private (sectoral and territorial) norms

- Parallel value-chains, global but closed
  - Economic agents’ direct involvement and control over agricultural regulation mechanisms
  - Private sectoral norms
- Territorial controls and private territorial norms
- External (financial!) and foreign powers control an increasing part of the production/territory
3) Concentration and dualisation of the sector

- Concentration within the agricultural sector
  - Not many, not broad based transformation
  - But few controlling entire sections/value-chains
    - The potato king, the onion king

- Dualisation of the sector
  - Beyond tradition cleavages
  - What place for productive family farming?
4) Socio-professional implications

- The end of the farmer?
  - Marginalization in the decision making process for the independent family (small scale and large scale) farmer and communities
  - Farmer = Probably more a service provider/rent seeker

- Is this model viable under present social/ environmental stress?
  - Labour creation on a continent that has not yet achieved its demographic transition, nor its industrial revolution?
How did we get there? Where to?

4 facilitators ...

- Failure of secure land rights
- Deregulation/liberalisation/globalisation
- Failure of effective democratic governance
- Crisis (perception of) family farming
How did we get there? Where to?

4 facilitators ...

- Failure of secure land rights
- Failure of effective democratic/transparent governance
- Deregulation, liberalisation/globalisation
- Crisis (perception of) family farming

...Renewed trends as aggravator
How did we get there? Where to?

• Renewed initiatives
  – Renewed bilateral trade agreements
  – Inclusive business models/programmes
  – Transparency initiatives

• Path dependency
  – Continuation of previous policies (lack of family farming focus)
    • Very little questioning re agrarian reform/agricultural policies/labour
    • Acceptance of the LSLBI model – what about a more organic agricultural growth trajectory model?
  – System is closed
    • Oligopolistic structure
    • External to agriculture
How did we get there? Where to?

Effective empowerment of family farmer and rural societies

- Failure of secure land rights
- Failure of effective democratic governance
- Deregulation/liberalisation/globalisation
- Crisis (perception of) family farming

Empowerment

Question the development model
Thank you

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