



MAKING INCLUSIVITY WORK: A ROLE FOR LEGAL EMPOWERMENT



HOW CAN LEGAL EMPOWERMENT SUPPORT SMALLHOLDERS AND CAPITAL PROVIDERS ALIKE?

Using evidence and research from Africa and Asia, this webinar sets out a convincing case for legal empowerment as a route to long-term sustainable investment in agriculture. As demand for food continues to increase, small-scale producers, including women and younger farmers, will be increasingly important to maintaining production. There is also the potential for increasing brand equity through the enhanced reputation of working to higher standards of ethical sourcing, gender equality and by giving small-scale producers access to legal tools. Evidence presented in the webinar shows that investment in legal empowerment lead to fewer disruptions in supply chains.

Consideration #1: Socio-Legal Empowerment: What Does it Mean and Why Does it Matter?

Emily Polack - Senior Researcher in the Legal Tools Team at IIED

Polack emphasized the social and legal dimensions of empowerment. Empowering Producers in Commercial Agriculture (EPIC) looks at approaches that help overcome these power or information asymmetries to enable more equitable trading relations and business partnerships to occur. The programme focuses on three spheres of action: 1) *understanding* - whereby producers acquire information to perform analysis to support the choices that they make in value chain relations or public policy arenas; 2) *organizing* - where producers develop organizational structures for collective or coordinated action; 3) *engaging* - where producers engage with other actors, whether individually or collectively, to challenge value chain relations or public policies. It is vital for rural producers to have the ability to make choices according to their own priorities. Not only does agency need to be recognized, but it needs to be promoted to ensure there is a positive impact.

Consideration #2: Gender Equality & Access to Legal Tools

Kumvana Mlumbe - Legal Manager at Women's Legal Resources Centre

Agency allows farmers to identify advocates and negotiate change for themselves. Responsible sourcing is a necessary commitment that needs to be made by businesses to find out more about the structures in play within the supplier ecosystem with regard for gender equality and access to legal tools. Women's involvement cannot be simply a tick off exercise, but must be genuinely promoting women to have a voice and meaningfully participate. They need to be able to influence decisions. Mlumbe also mentioned that women need access to relevant resources to gain leadership and advocacy skills in empowering negotiation.

Consideration #3: The Business Case for Legal Empowerment

Ben Bowie - Managing Director at TMP Public

Many investors don't really see legal empowerment as an urgent priority for them. They see it as an issue for the government to handle and may even see legal empowerment as something that is against their interests, but in fact, there is a strong business case for legal empowerment. There is evidence that legal empowerment reduces risk, strengthens the continuity of supply, and helps in good governance. In addition to that, it gives smallholders more of a sense of security. In the absence of legal recourse or dispute resolution mechanism, smallholders might resort to tactics like riot blockade, when in a very desperate position, and those sorts of tactics lead to long delay with significant financial impacts and embedded disputes that are protracted and difficult to solve. Because trust is a significant component to legal empowerment, TMP Public has found that a local intermediary is necessary to connect companies and investors to local providers of empowerment-related services.

Consideration #4: Empowerment Leads to Reduced Investment Risk

Grahame Dixie - Executive Director of Grow Asia

Global spending on food will double over the next decade in Asia, and large scale farmers cannot be the sole producers, especially when smallholder farmers, in some cases, have comparative advantages in very intensive labour crops. In this competitive environment, Grow Asia has developed regional guidelines on promoting responsible investments to increase the uptake of these principles and clarify the growing number of voluntary standards in the landscape. Having this regulated process, with the guidance of local intermediaries, can halt emerging issues from evolving into a serious barrier for production and getting a return on investment.

Relevant Research:

- **From Emily Polack and Empowering Producers in Commercial Agriculture (EPIC):**
 - [Contracts in commercial agriculture: enhancing rural producer agency](#)
 - [Socio-legal empowerment and agency of small-scale farmers in informal](#)
 - [Rural Producer Agency and Agricultural Value Chains: What Role for Socio-Legal Empowerment?](#)
- **From Ben Bowie and TMP Public:**
 - Much of the research that TMP Public have produced and which is forthcoming on the business case is collected in [this website](#).
 - TMP Public have produced some [investor-oriented training](#) on social license to operate
 - Bowie mentioned the [Kumacaya initiative](#) as an example of a basket fund.
 - He suggested the [Social License Platform](#) as an effective intermediary for direct investments
- **From Grahame Dixie and Grow Asia:**
 - [Mapping of Industry and Investment Standards and Principles to the ASEAN Guidelines for Promoting Responsible Investment in Food, Agriculture and Forestry](#)
 - [The Practice of Responsible Investment Principles in Larger-Scale Agricultural Investments](#)
 - [Investing in Agribusiness: A Retrospective View of a Development Bank's Investments in Agribusiness in Africa and Southeast Asia and the Pacific](#)

QUESTIONS INVESTORS SHOULD BE ASKING THEMSELVES:

- *How do we ensure the gender equality and access to legal tools in our supplier chains?*
- *What can investors do to ensure responsible sourcing?*
- *What are the practical steps to promoting smallholder agency in my investment decisions?*

RELEVANT LINKS:

- [Sign up for the Newsletter](#)
- [Watch the recording](#)

INFO@CASAPROGRAMME.COM