

## New financial models needed for sustainable agriculture



Local farmers during WCC workshop on Food and finance near Maputo, Mozambique. ©Norman Tendis/WCC

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**Recent developments in the global finance sector are imperilling food production and the vision for life-enhancing agriculture, say economists in a two-year study.**

“On the one hand, the financialization of food - this includes the conversion of food into commodities for speculation and huge investments in agro-industrial plantations - is associated with hikes in food prices and land grabs that hurt the poor and undermine rural livelihoods,” said Athena Peralta, WCC programme executive for economic and ecological justice.

“But on the other hand, we need to promote investments - financially and otherwise - in a different kind of agriculture, a life-enhancing agriculture,” she added. “An important question is, how can churches and church-related organizations support the latter?”

The growing effects of global finance—both financial and philanthropic—on the sustainability of agriculture are explored in a new World Council of Churches (WCC) publication developed with Bread for all (Bfa), entitled *Food and Finance: Toward Life-Enhancing Agriculture*,” edited by Peralta.

The text, which is published online, comprises two studies that examine the role of less-observed actors, such as philanthropic organizations and international financial institutions, in the financialization of food in Africa and Asia, respectively.

In addressing these questions, “we also have to bear in mind that it is the small farmers who are the biggest investors in agriculture,” said Tina Goethe, who leads the Right to Food team at Bfa, the development service of the Protestant churches in Switzerland.

### **Understanding agriculture in a globalized context**

The study emerges from a two-year collaboration of WCC and Bfa in a project called “From the Financialization of Food to Life-giving Agriculture.”

Through the project, the WCC and Bfa aim to help people better understand the connections between food and finance; explore agricultural production and investment models that are not beholden to the profit logic, that foster just economic relationships and that encourage ecological renewal; and map out ways in which churches and church-related organizations can respond through critical theological reflection, advocacy for policy changes and institutional transformation, and investing in alternatives within their communities.

“Life-giving agriculture is an important pillar of the Economy of Life and sustainable, climate-resilient communities,” said Peralta, referring to the ecumenical priorities of building life-affirming economies and promoting climate justice as part of the WCC’s Pilgrimage of Justice and Peace.

“Bfa has long been engaged in supporting the struggle of farmers and indigenous communities to maintain or regain control over land and seeds to produce food and sustain livelihoods,” added Goethe.

“The WCC-Ecumenical Advocacy Alliance (WCC-EAA) campaign ‘Food for Life’ also seeks to uphold the rights of the small food producers, who represent 90 percent of all farms worldwide and who produce 70 percent of the world’s food, and who are the custodians of the biodiversity that is essential for the future of humankind, said Manoj Kurian, EAA coordinator.

### **How can we nurture life-enhancing agriculture?**

In a foreword, Rev. Dr Isabel Apawo Phiri, WCC deputy general secretary for Public Witness and Diakonia, and Miges Baumann, head of Development Policy at Bread for all, touch upon the consequences of unprecedented financialization.

“In agriculture, financiers and speculators are turning to food crops and monocultural farming estates as lucrative areas for profit-making,” note Phiri and Baumann. “This ongoing phenomenon has resulted in unstable food prices as well as large-scale land acquisitions with profound social and ecological costs: hunger, displacement, and the poisoning of soils and waters.”

## **Studies focus on Africa and Asia**

The publication consists of two sections, one focusing on Africa, the other on Asia and the Philippines.

The study on Africa, authored by Sasha Mentz-Lagrange, construes the financialization of food through a more critical lens as it looks closely at the prime movers of a green revolution for the region – including the Bill and Melinda Gates Foundation and initiatives such as the Alliance for a Green Revolution for Africa. It investigates how the financialization of food affects local and regional agricultural systems and commons, food security, smallholder farmers' livelihoods, social welfare, and environmental sustainability in Sub-Saharan Africa, with a specific focus on Mozambique.

The Asian case, authored by Rosario Guzman and Arnold Padilla, observes the proliferation of public-private partnerships, such as the World Bank-initiated Mindanao Rural Development Project in Southern Philippines, with the aim of attracting investments in agricultural production, infrastructure and services. The World Bank plays a significant role in the financialization of food, note the authors.

The phenomenon of financialization of agriculture has become a major cause of concern for advocates of food sovereignty and farmers' welfare because it heightens the disconnection between finance and production, thereby placing food security at great risk. This has tremendous implications on rural livelihoods and the rural economy as a whole.

In both sections, the authors have compiled recommendations for advocacy and action for life-enhancing agriculture.

[Read the study \*Food and Finance: Toward Life-Enhancing Agriculture\*](#)

[Learn more about Bread for all \(Bfa\)](#)

[Learn more about the collaborative project on financialization of food](#)

[Learn more about the WCC vision of Economy of Life](#)