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**Inducing Food Insecurity:
Financialisation and Development in the Post-2015 Era**

Author

Dr Sally Brooks

Lecturer, Department of Social Policy and Social Work, University of York

Abstract

The G7 'New Alliance for Food Security and Nutrition for Africa' follows an established approach of 'connecting smallholder farmers to markets', while extending the role and influence of corporate agri-business in new ways. This paper explores implications of the 'New Alliance' model's incorporation into the Sustainable Development Goals framework for smallholder producers already facing greater uncertainty in financialised agri-food chains, and in light of a consensus around the primacy of private finance in the post 2015 era. The question for alternative food and development movements is how to confront the 'value chain challenge'¹ in an increasingly financialised global agri-food system.

Key words: financialisation, agriculture and food security, sustainable development goals, financing for development, G7 'New Alliance'

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Introduction

By the end of 2015, the Millennium Development Goals (MDG) framework² - the overarching framework for international development efforts for the last fifteen years - will have been succeeded by a new Sustainable Development Goals (SDGs)³ framework. At the same time, discussions on funding – or rather financing - the SDGs culminated in the Third (and final) International Conference on Financing for Development’ in Addis Ababa in July.⁴ A key message from this conference was that ‘Financing for Development’ (FFD) in the post-2015 era needs to go ‘beyond aid’, to include domestic resource mobilisation, ‘smart’ aid and, above all, the mobilisation of private finance. Private finance is now seen as essential to the achieving SDG agenda, with state and other public institutions set to play a ‘catalytic’ role in attracting the resources of the private sector.

These proposals suggest a shift in donor policy. Development financing in the MDG era was largely ODA-driven, though private philanthropy played an increasingly significant role. And despite optimism in some quarters, the contribution of public private partnerships (PPPs) has been limited to date⁵. A key component of MDG funding was the Heavily Indebted Poor Countries (HIPC) debt relief programme, an initiative that is not highlighted for continuation or expansion post-2015⁶. While this has disappointed some, this concern has been overshadowed by a ‘new lending boom to developing countries’⁷. In particular, many developing countries, particularly in Sub Saharan Africa have been borrowing from international capital markets: issuing sovereign bonds in international currencies over which they have no control. As of March 2015, Ghana, the first sub Saharan African nation after South Africa to borrow from international capital markets, has a debt-to-GDP ratio of 60.8 percent.⁸

Proposals for an expanded role for private finance in development are framed in terms of a shift from ‘isolated pilot activities’ to a ‘broad transformative agenda’⁹. These ‘isolated activities’ include both conventional public private partnerships and new approaches to investment in financial sectors in developing and transitional economies currently pursued by the World Bank’s private sector arm, the International Financial Corporation (IFC). The Bretton Woods Project, a UK-based NGO that monitors activities of the World Bank Group

has drawn attention to proactive support, by the IFC, of ‘financial deepening’ as a development strategy ‘despite the failures of the financial systems of US and European countries in the last five years’¹⁰; concerned that civil society groups have yet to grasp how dynamics of financialisation in the global economy, and now the international development system itself are transforming the global development landscape.

This paper takes as its entry point a major initiative which looks set to carry over from the MDG period into the post-2015 development era, that is the G7 New Alliance for Food security and Nutrition in Africa (‘New Alliance’), launched by USAID and subsequently endorsed by the G8 (now G7) Summit. The New Alliance aims to accelerate agri-business investment in African agriculture as the route to lifting 50 million people out of poverty by 2022¹¹. In a recent blog on the development financing debate, Alexander Their of USAID argues that the ‘ambitious goals’ of initiatives like the New Alliance ‘require a new model of development’ which combines ‘our spirit of innovation, an available pool of global capital, a demand for results and accountability and the pent up energy of millions of people worldwide to realise their own potential’¹².

The design of the New Alliance reflects more than a decade of agricultural development policy and practice aimed at ‘connecting smallholder farmers to markets’. However, while it retains the value chain as its main organizing principle, it goes further, and seeks to extend and deepen the involvement of the corporate agri-business sector in agri-food chains in developing markets. While these policies are promoted in the name of the smallholder farmer, however, civil society groups and researchers in agrarian studies have sounded the alarm that the main beneficiaries of such initiatives are likely to be the agri-business corporations themselves, as the actors best placed to position themselves strategically in value chains to achieve their business goals, which undermining ecological and socio-institutional foundation of smallholder farming and livelihood systems. In this case, they such policies may be described as ‘food *insecurity* inducing policies’¹³.

These dynamics are intensified by the steady advance of financialisation within global agri-food systems, which creates new sources of instability and uncertainty, particularly for small producers at the end of the chain. As recent research has highlighted, the very nature of

financialisation in an already complex agri-food system is often obscured, so that the role and impact of financial actors is not visible or clearly understood¹⁴. This ambiguity is amplified by the promotion, by multilateral development banks, of financial deepening, that is the liberalisation of financial markets in emerging markets, and financial inclusion, though the promotion of derivative products to smallholder farmers, as *development* strategies. Recent debates about the future of ‘food sovereignty’, which arose as a ‘counter movement to the neoliberal food regime’ institutionalized in WTO rules, ‘on hold’ since the Doha round stalled in 2008, are therefore timely¹⁵. There is a need, therefore, to better understand the challenges presented by an increasingly *financialised* agri-food system, and begin to map the contours of an emerging global food politics accordingly.

Situating the ‘New Alliance’

The ‘G7 New Alliance for Food Security and Nutrition in Africa’ (‘New Alliance’) is a cooperation framework that was launched at the G8 summit in 2012. It includes ten African countries (so far), more than 100 private companies and range of donors. Its aim is to ‘accelerate responsible investment in African agriculture and lift 50 million people out of poverty by 2022’. Its core requirement of African member states is that they ‘refine policies’ and ‘improve investment opportunities’ in order to facilitate private sector-led growth in agri-food sectors as the key to achieving food security¹⁶.

The New Alliance can be viewed as having ‘stepped into the breach opened up by the food crisis’, although it was four years in the making¹⁷. The food price crisis of 2007-8 had thrown doubt on food security strategies that had become established in the course of the preceding decades, as the number of malnourished people exceeded 1 billion¹⁸. In 2009, at the G8 summit in L’Aquila, Italy, ‘the world’s richest countries pledged USD 22 billion over 3 years to address hunger. Four years later, half the pledges had materialized’. In the intervening period, the G8 had developed new policies through which hunger might be managed¹⁹.

The series of events that culminated in the launch of the New Alliance can be traced back to Kofi Annan’s rallying call, in 2004, for a ‘uniquely African Green Revolution’ which was

followed by, among other things, the launch in 2006 of an 'Alliance for a Green Revolution in Africa' (AGRA) by the Gates and Rockefeller Foundations²⁰. The design of AGRA centred on the 'value chain' as its organizing principle, as did the 2008 World Development Report 'Agriculture for development' published the following year²¹. 'Agriculture for Development' envisaged a future for African agriculture 'led by private entrepreneurs in extensive value chains linking producers to consumers and including many entrepreneurial smallholders'²². In this context, far from presenting 'fresh' thinking on agricultural markets, this framing served to 'reunite Bank development discourse with recent transformations in the food regime' favouring the 'monopoly structure of agri-business'²³.

On the one hand, the New Alliance can be viewed as a continuation of the productivist-modernist model at the heart of the 'Long Green Revolution'²⁴, and the 'market fix' that has dominated proposals and programmes for 'getting African agriculture moving, for the last decade²⁵ in particular the promise to release the productive potential of smallholder farmers as a 'class in waiting'²⁶. On the other hand, there are distinctive features that have allowed corporate actors to 'normalise themselves as key aid actors'²⁷. First and foremost, it is presented as an alliance built on principles of country ownership. It was launched by GROW Africa, 'an African owned, country-led, multi-stakeholder platform' co-sponsored by the World Economic Forum (WEF) and NEPAD, via its Comprehensive Africa Agricultural Development Programme²⁸.

The New Alliance vision takes as its starting point 'the impossibility of ending hunger without the assistance of private capital'²⁹. Furthermore, it sets out a clear vision as to what 'the market' means, in terminology that goes beyond familiar terms such as value chains and public private partnerships (PPPs) to include 'agricultural growth corridors' as a mechanism for accessing 'underutilised' land for development, currently 'top of the list' for private investors; and 'patient capital', or 'catalytic' funding provided by public institutions such as donors and multilateral development banks that can reduce transaction costs that might otherwise present a barrier to private investment³⁰. This, together with its alignment with CAADP priorities and 'country-led' programming has enabled the configuration of a 'hegemonic bloc' at the national level that is able to 'suppress... the possibility of alternative ways of addressing hunger'³¹.

A large-scale investment model is also embedded in the SDG framework itself, most notably for agricultural development, which is modelled on the New Alliance³². According to Sexmith and McMichael³³, 'the difference between now and 2000 [when the predecessor MDG framework was launched] is the return of the land question'. This is not to say that land was not an issue in 2000. However, rather than tackle the restructuring conditions associated with the processes of agricultural trade liberalization that caused widespread eviction of smallholder producers, 'the MDGs focused on their outcomes such as rural poverty and food insecurity, missing the point that corporate dominated markets reproduce such outcomes'³⁴. As the MDG era comes to a close, rather than reflect on this blind spot, the architects of the SDGs are preparing to turn the page and accept the 'inevitability' of this increasingly hegemonic development model.

This is clearly illustrated in a study of development paradigm changes in Tanzania in the final stages of the MDG era. Green³⁵ shows that a transformation from the MDG social development model to a profit-driven economic growth agenda is already well underway. Green highlights the central role played by the Bill and Melinda Gates Foundation (BMGF), via its involvement in AGRA, in building hegemonic partnerships³⁶ across the region in favour of a 'Southern Africa Agricultural Growth Corridor' (SAGCOT), which was 'announced at a [WEF] meeting held in Tanzania in 2010'. As Green points out 'the symbolism of Davos in Africa is deliberately indicative of the new development order of public-private partnerships, philanthrocapitalism, and technology enabled by corporate investment'³⁷.

These developments suggest that the SDG framework is likely to be a far cry from the vision articulated in "The future we want" – the collective output from the 'Rio+20' conference in 2012³⁸ - and instead appear to be 'channeling some very familiar ideas about the relationship between land, labour and capital'³⁹ that have been a consistent thread linking the the 2008 World Development Report, AGRA, GROW Africa, G8 New Alliance and Tanzania's SAGCOT, among others. Here the distinction drawn by Hickey and Mohan's⁴⁰ between 'imminent' and 'immanent' development – that is, between 'willed' development policy and 'underlying processes of development' – is helpful, insofar as it highlights an ambiguous grey area in which the global development policymaking has become a process

of formalizing and legitimizing 'underlying processes of development', shaped, in the case of food security and nutrition, by the priorities of an increasingly concentrated agri-business sector.

Neoliberalism, financialisation and development

The term neoliberalism is used in a variety of ways, in discourses of development and politics debates more broadly⁴¹. As a theory neoliberalism starts from a view that individual liberty and freedom are paramount, best achieved and protected by an institutional structure comprising strong private property rights, free markets, and free trade. The implication is that the state should not be directly involved in the economy, but should use its power to protect property rights and institutions of the market⁴². The first experiment in implementing neoliberalism was Chile in the 1970s, followed by Britain and the US in the 1980s, and thereafter throughout the OECD, in a retreat from Keynesian economic policies and the post-war 'welfare state' model.

Neoliberal policies were transferred to many developing countries in the form of Structural Adjustment Programmes (SAPs), following a 'prescription for development' known as the 'Washington Consensus'⁴³ in the 1980s and 1990s. During 1980-89 alone, 171 SAPs were introduced in countries in Sub Saharan Africa, with a further 57 being initiated by the end of 1996⁴⁴. Key elements of SAPs were export promotion measures, civil service downsizing, trade liberalization and privatisation of state-owned enterprises. In the agriculture sector, adjustment meant dismantling social protections which had been put in place in the postcolonial era; including grain marketing boards, price supports and subsidy programmes. The impact of SAPs converged with changes brought about by the 1995 WTO Agreement on Agriculture. 'A conservative estimate by the FAO for 16 countries in the global South' found that 'between 20 and 30 million' small producers lost their land as a consequence of agricultural trade liberalization⁴⁵. These transformations produced a global agrarian crisis that went largely unaddressed, as mentioned earlier, by an increasing technocratic development industry restricted to ameliorating its effects, particularly into the MDG era⁴⁶.

The financial crisis of 2008 brought the issue of ‘financialisation’, and its relationship with neoliberalism and globalisation, into sharper focus. Financialisation is defined by Epstein⁴⁷ as the ‘increasing importance of financial markets, financial motives, and financial elites in the operation of the economy and its governing institutions, both at national and international levels’; and is widely understood to be ‘a response to the exhaustion of the Fordist economic growth model, where financial capital has replaced productive capital in the quest for new profits’⁴⁸. Its relationship with neoliberalism, specifically its adherence to neoclassical economics is paradoxical, since the dynamics of financialisation expose the ‘incoherence’ of this theory⁴⁹, as demonstrated, for example, by the sheer scale of state intervention in the US and UK economies, in the form of quantitative easing, required to stabilise the financial system in the aftermath of the crisis⁵⁰.

Similarly, the food price crisis of 2007-8 revealed the impact of speculative activity on commodity price volatility that threw doubt on neoliberal food security policy prescriptions. This is not to say that supply factors, notably ‘the diversion of acreage and food crop output for biofuel production’, and well as rising costs of agricultural inputs, did not also play a part⁵¹ as did the cumulative effects of decades of neglect of public agricultural extension following the implementation of structural adjustment policies. Nevertheless, ‘it is now quite widely recognized that financial speculation was the major factor behind the sharp price rise of many primary commodities, including agricultural items’⁵². Central to the debate was the role of speculative activity as having a market stabilising effect – as predicted by neoclassical economic theory – or a destabilising one. As Ghosh⁵³ concludes, ‘the lesson here is unpleasantly straightforward: no country, however small and open, can afford to neglect domestic food production.’ In other words, far from being a route to food security, agricultural liberalization had made developing countries more food *insecure*; leading to the conclusion that future trade negotiations should ‘take this into account and reverse such requirements accordingly.’

Fine⁵⁴ argues that financialisation can be used as a lens to identify two distinct phases of neoliberalism. The first phase was characterized by ‘shock therapy’ that ran from the late 1970s to the early 1990s, operationalized in the developing world under the ‘Washington Consensus’ as SAPs, which was ‘concerned to release the role of financial markets to the

fullest extent', and led to widespread privatisation and deregulation of all aspects of economic activity and public service delivery. As Fine⁵⁵ points out, 'any form of privatisation has the potential to induce financialisation since it creates a stream of revenue that can be consolidated into assets that can become part of a derivative that is speculatively traded'. This phase has been succeeded by a 'more overtly and extensively interventionist' phase concerned with responding to effects of inequalities generated during the first phase, while at the same time sustaining the process of further financialisation. Or, to put it another way, 'shock therapy got as much privatization and private financial participation as possible, and now the state must pick up the debris and push the process much more fully through its own support' as illustrated by the rescue of banks 'too big to fail' in the aftermath of the financial crisis⁵⁶.

The proposals put forward by the World Bank for development financing in the post-2015 era⁵⁷ are indicative of the public support deemed necessary for private investment in this second phase of neoliberalism, or the 'post-Washington Consensus' phase. The role of public institutions, both at state level, and of international donors and the Bank's own agencies have clearly been assigned an interventionist role to facilitate further financialisation, through the provision of risk guarantees and 'patient capital'⁵⁸. As the report argues, the investment climate following the financial crisis does not favour developing states accessing capital markets when 'investors search for safer and more liquid assets'. In this climate multilateral development banks can play an 'honest broker role' by 'mainstreaming the use of guarantees and risk insurance'. Also highlighted is the strategy of financial sector development in developing countries, as a means of fostering 'financial deepening and inclusion to accelerate private sector-led growth'⁵⁹. The Bank's private sector arm, the International Financial Corporation (IFC) is already active in this sector, channeling substantial funds to private banks and financial intermediaries in emerging markets⁶⁰.

Another strategy is the identification of financial products as development tools which can be promoted to particular groups under the banner of 'financial inclusion'. One product that is being actively promoted at present is index-based agricultural insurance (IBAI) for smallholder farmers. IBAI is, despite its 'insurance' label, a weather *derivative* through which farmers 'manage environmental risks through offsetting bets on financial products'⁶¹. These

products are also championed by the IFC, together with Oxfam, the UN, G20, Grameen Foundation, and agri-business corporations as a vehicle for simultaneously modernising and ‘climate proofing’ smallholder agriculture⁶². Crucially, state support is required for the roll out of these products, contributing to product development, being the ‘reinsurer for catastrophic risks’ and investing in infrastructure such as networks of weather stations – framed as a ‘public good’ – ‘albeit one that can be appropriated for [private] financial gain.’ Taken together, such costs often exceed those previously allocated to purportedly ‘inefficient’ public subsidies⁶³.

The examples of direct and indirect public sector support for private investors in emerging markets discussed here are indicative of the normalization of public sector support for further financialisation, less than five years after a global financial crisis. As such, they are consistent with Fine’s⁶⁴ location of the ‘post-Washington consensus’ in the second phase of neoliberalism. While ‘the first shock phase of neoliberalism had already pushed through the easiest and most profitable privatisations’, the challenge, in the second phase, was to tackle ‘problematic’ outcomes of previous privatisations while furthering – and deepening – the process of financialisation. This has required a ‘repositioning’ of the state, from an (unfavourable) alternative to the private sector, to ‘a source of resources to *enable the private sector to participate* in the provision of economic and social infrastructure’⁶⁵; which is precisely the role allocated to the state in its proposals for post-2015 development financing.

New frontiers of financialisation: food, farming and farmland

The food crisis of 2007-8 drew attention to the extent and impact of financialisation within the agri-food sector⁶⁶. To understand the implications of greater agri-business involvement in developing country agriculture, particularly in the smallholder sectors, as envisaged in initiative like the New Alliance, it is necessary to trace the origins and extent of financialisation in the agri-food sector and consider how this might intersect with the growing financialisation of development itself in the post 2015 era.

Processes of financialisation in the global food system have been underway since the late 1970s, following the introduction of 'New Financial Architecture (NFA)', that is, the regulatory framework governing national (US) and international financial flows. The NFA was 'based on light regulation of commercial banks, even lighter regulation of investment banks, and little if any regulation of the "shadow banking system" – hedge and private equity funds and bank-centred Special Investment Vehicles'⁶⁷ and reflected the accepted wisdom of the time, that less regulation would lead to the emergence of more 'efficient' markets. As a result, a range of financial institutions were allowed to enter new markets from which they have previously been excluded, notably those of agricultural derivatives, farmland and agro-food enterprises.

Further regulatory constraints were removed by the Commodity Futures Modernisation Act (CFMA), passed by the US in 2000, as a result of intensive lobbying since the 1980s. In particular, 'position limits' for speculators were removed, and additional investors (e.g. hedge funds, pension funds, insurance companies, sovereign wealth funds and investment banks) were allowed enter the market for agricultural derivatives. The arrival of these new financial actors, particular those from the 'shadow banking' sector tipped the balance from a market shaped primarily by hedging to one driven by speculative betting. New types of product, such as the commodity index funds (CIF) pioneered by Goldman Sachs, which bundled derivatives for a variety of commodities into a single value, became the product of choice for new institutional investors who had little knowledge of commodity markets. Agricultural risk was thus transformed into an *asset class*⁶⁸.

While the growth of the agricultural futures market is an obvious example of financialisation of the agri-food sector, the integration of financial actors and activities can be found in all parts of the value chain. While most people are aware of the transformation of the global food system by the rise of large northern retailers, less visible has been the involvement of financial actors who, together with supermarket chains, have come to dominate agri-food value chains at the expense of agricultural producers and labourers, and suppliers⁶⁹. In this case, financialisation of food retailing has 'blurred the boundaries' between financial and 'real' sectors. While financial actors have gained a sizeable stake in food sales (the high profile takeover of Somerfield Supermarkets by a private equity consortium being just one

example), food retailers earn more revenues from financial activities, either by redirecting cash flows into financial (rather than productive) investments or by diversifying their own activities into financial services such as credit cards, insurance products, etc⁷⁰.

Similar dynamics can be found in the food manufacturing and processing and grain trading sectors. For example, an analysis of strategies of the 'ABCDs' (the four largest grain traders - ADM, Bunge, Cargill, Louis Dreyfus) Isakson⁷¹ shows how these large conglomerates blur the boundary between finance and food. While these businesses have always engaged in 'hedging against undesirable price movements' there has been a discernible shift towards speculative activity. 'Due to their dominance of agricultural trade and their direct contact with food suppliers, the ABCDs are among the first to know about supply conditions, making their financial products particularly attractive to investors wishing to speculate on the agricultural derivatives market'⁷². Meanwhile, financial actors are becoming active in food trading, not only by investing in grain traders' funds, but also the physical storage and transport of commodities. 'In addition to purchasing livestock, grain and agricultural products, these funds have acquired storage facilities and transport vessels, enabling them to buy maturing contracts from fellow investors. In addition to charging fees for their services, the funds benefit from more direct access to information about agricultural supply'⁷³.

This blurring of financial and 'real' assets and activities is illuminated by Fairbairn⁷⁴ in the case of investment in farmland. Previously an 'investment backwater', farmland has become increasingly attractive to investors looking for more secure and profitable places to put money following the commodity price spikes and collapse of the US housing market in 2008. This is leading to an escalation of 'land grabs' in the developing world⁷⁵, as well as accelerating land speculation in developed land markets⁷⁶. Interestingly, while the 'turn to farmland' may *appear* to indicate a shift *away* from financialisation, towards investment in 'real' assets, Fairbairn argues that patterns of financialisation in the farmland sector, including the 'first tentative steps toward the securitisation of farmland' point to the emergence of a 'new form of financialisation'⁷⁷.

Research into financialisation in the farmland sector is at a relatively early stage. This is also true, thought to a lesser degree, of studies of financialisation of food more broadly, which began to emerge following the global food price crisis of 2007-8⁷⁸. Nevertheless, clear themes are emerging. As in the cases of food retailing and processing and grain trading, various kinds of institutional and sectoral ‘crossover’ are taking place, which obscure the nature and extent of financialisation and its effects. In the case of farmland investment, a new institutional form, which Fairbairn⁷⁹ calls the ‘Farmland Investment Management Organisation (FIMO)’ is emerging *across* the financial and agribusiness sectors, allowing financiers to ‘use land as a productive asset, while operators are using land as a financial asset.’ Farmland is thus transformed into a ‘quasi-financial asset’ – ‘like gold with yield’ – whose financial qualities are valued in ways relate to its productive qualities.

Despite growing concern about escalating land speculation in the South⁸⁰, international financial institutions, notably the World Bank’s Multilateral Investment Guarantee Agency (MIGA) and IFC, have nevertheless been active facilitators of investments in ‘frontier’ markets such as farmland in Latin America and Africa. The MIGA, for example, ‘provide contracts that guarantee foreign direct investment against a number of risks’, while the IFC has ‘launched a US\$500 million fund that protects investors with an exit option from funds operating in emerging markets, thereby making their investments more liquid. Taken together, these initiatives have facilitated financial actors’ acquisition of low-priced farmland in the South, while reducing the risks of doing so’⁸¹. Meanwhile, the World Bank and, perhaps more surprisingly UNCTAD continue to promote derivatives to smallholder farmers despite compelling evidence that derivatives markets dominated by speculators do not smooth price volatility but exacerbate it⁸².

The implications of these developments for global food politics are highlighted by Clapp⁸³ as the consequence of ‘distancing’ in the agri-food system as a result of financialisation. This arises, firstly, from the diversity of new actors that populate the food system, together with the proliferation of complex financial instruments, which both abstract the commodity from its physical form, and reconnect with physical markets in new and complex ways. The second distancing effect arises from the first. The combined effect of these multiple ‘crossovers’ is that the role of financial actors is obscured; and this obscuring effect ‘*shapes*

*the political context*⁸⁴, enabling financial actors and investment tools that contributed to a global food crisis that led to widespread hunger and political instability in several regions of the developing world to be reformulated as essential elements of a *development* model designed with the needs of smallholder farmers in mind. This is despite compelling evidence that smallholder farmers are ‘arguably the biggest losers of the financialisation of the food system’⁸⁵.

Conclusion: an emerging global food politics?

The design of the G7 New Alliance for Food Security and Nutrition for Africa (‘New Alliance’) reflects more than a decade of agricultural development policy and practice aimed at ‘connecting smallholders to markets’ in extensive value chains that extend beyond national borders to include a wide range of public and private organisations. Despite an image of institutional plurality, however, it has become increasingly clear that the main beneficiaries of this development model are not the smallholder farmers around whose needs these programmes have purportedly been designed, but agri-business corporations best able to position themselves strategically within these value chains and use this leverage to influence international and national policies, notably in land acquisition and seed regulation, to their advantage⁸⁶.

What McMichael⁸⁷ has called the ‘value chain challenge’ is being intensified by the ongoing reorientation of the global agri-food system according to the priorities and logics of ‘financial actors, financial motives and financial elites’. Processes of financialisation that are underway throughout the value chain are obscured by dynamics of ‘distancing’ that are a consequence of financialisation. The role of financial actors throughout the value chain, and in particular their role in generality instability in the global agri-food system, can thus remain hidden from view⁸⁸. This ambiguity has been exacerbated, in the years that have followed devastating global food and financial crises, with the active promotion, by international donors, of financial deepening, that is the liberalisation of financial markets in emerging markets, and financial inclusion, though the promotion of derivative products to smallholder farmers, for example, alongside continued support for corporate agri-business as the sector without whose active involvement the battle against hunger will be lost.

Recent debates about the use and interpretation of food sovereignty 'as an idea for an alternative food system and as a global social movement'⁸⁹ are therefore timely. This concept emerged in the early 2000s in response to a 'global food crisis triggered by northern dumping of foodstuffs, institutionalized in WTO trade rules' and centred on the rights of developing states to determine domestic food policy. Since the Doha 'development' round of WTO talks stalled in 2008 a web of free trade agreements and bilateral investment treaties has grown to fill the vacuum. In the process, the 'free trade' mantra has given way to an 'investment-led assault', in which 'circulation of food is compounded by global financial flows into enclosing land for industrial agriculture and/or speculation, challenging small producer rights all over the world'⁹⁰. In this context, the hegemony of the 'value chain' is enabling a process of 'control grabbing... under the guise of smallholder support'⁹¹. The challenge, therefore, for alternative food movements is in finding ways to confront the 'value chain challenge' in an increasingly *financialised* global agri-food system, and the threat this presents to smallholder producer systems worldwide.

Notes on contributor

Sally Brooks is a lecturer in international development in the Department of Social Policy and Social Work at the University of York . She is author of *Rice Biofortification: Lessons for Global Science and Development* (Earthscan: 2010).

Notes

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