

DOING BUSINESS ON UNEVEN GROUND

Advancing land equality is key to addressing climate change and farmer rights

Land is the bridge between companies' environmental and social sustainability agendas, and it is foundational to both. To implement their commitments on climate change, net zero emissions, human rights, women's empowerment, and farmer livelihoods, companies must focus on land in agricultural value chains: who controls it, who can access it, who has rights to it, and who enjoys the benefits derived from it ('land inequality'). This Briefing for Business presents eight land-focused 'essential issues for business action'—and corresponding recommendations—that leading companies can integrate into their existing sustainability efforts.

Why focus on land inequality and eight essential issues for business action

Food, beverage, and agriculture companies rely on land, and a lot of it, for the cultivation of agricultural commodities. They also increasingly rely on land to remove carbon and reduce emissions through initiatives such as reforestation projects. Some use land directly via their own operations, others indirectly via their value chains and investments.

Land is a finite resource. The more land that companies control (directly or indirectly), the less that's available for small-scale farmers, local communities, and global climate action.

It doesn't have to be a zero-sum game. How companies use land can work for people, the planet and business. This requires a shift from the status quo. A better future requires more small-scale food producers retaining stronger rights to more land, having more decision-making power over how land is used and retaining more of the benefits derived from the land. These are dimensions of *land inequality*.



Land inequality is not simply a legal or local issue, though it is often seen as such. Governments—both national and local—ultimately set the laws and policies that drive land inequality. Customary norms also play a role. But companies’ policies and practices can either exacerbate or lessen the problem.

Land inequality at a glance

- Land inequality refers to differences in: 1) the amount and value of land that people access or hold; 2) the level of security of tenure that people have; 3) the actual control that people have, including their decision-making power over land; and 4) the control of benefits from land.¹
- Up to 2.5 billion small-scale food producers depend on land for their livelihoods, food security, housing and the preservation of their cultures.²
- Inequality in who has access to, controls, and benefits from land is extremely high and increasing.
- The result is that more small-scale food producers are being squeezed onto smaller parcels of land or left landless. What land they do control is increasingly degraded, a process exacerbated by the effects of the climate crisis. These forces together threaten farmers’ and Indigenous peoples and local communities’ (IPLCs) rights and livelihoods.³



This *Briefing for Business* introduces land inequality as an issue that leading companies should be tracking. It makes the case that doing so will help companies meet existing sustainability commitments holistically; land is the bridge between the social and environmental sustainability agendas, and it is foundational to both. The briefing presents eight land-focused essential issues for business action—and corresponding recommendations—that leading companies can integrate into their existing sustainability efforts.

Three reasons why your company should focus on land inequality

1

BETTER DELIVER ON EXISTING SUSTAINABILITY COMMITMENTS

Advancing equality in who controls and benefits from land will help your company make more durable progress on climate change, human rights, women’s economic empowerment and farmer livelihoods;⁴

2

KEEP AHEAD OF THE CURVE

Innovative agriculture production models—models that prioritize positive environmental outcomes and respect for human rights and advance the interests and climate resilience of small-scale farmers and communities—are key to a sustainable future. Equality in who controls and benefits from land is core to the success of these models;

3

REDUCE CONFLICT

Land-use change and associated land acquisitions continue to drive human rights violations and conflict in global value chains.⁵ Further, land inequality is sometimes linked to illegal practices (land grabbing, illegal deforestation). Refining your company’s approach to preventing problematic land-use change and acquisitions will help ensure better respect for human rights and the environment and reduce associated risks to reputation and supply continuity.

This *Briefing for Business* is for sustainability leaders and practitioners within food, beverage, and agriculture companies situated at all positions within a supply chain. It's also useful for investors who are prioritizing ESG.⁶ Use the briefing to:

- ✓ Make the case internally that your company should focus more on land across sustainability interventions as the bridge between the environmental and social sustainability agendas;
- ✓ Make the case externally that companies (peers, suppliers, investees), industry platforms, and governments can better address issues from climate change to human rights and farmer livelihoods by addressing land inequality;
- ✓ Identify new ideas for sustainability interventions and partnerships that engage small-scale farmers and IPLCs and help increase their control over land;
- ✓ Strengthen your company's land—and related—policies and supplier requirements and improve upon their implementation.

How to think about these recommendations from different positions in the value chain

Food, beverage, and agriculture companies, and their investors, all have a responsibility to address land issues. How a given company approaches implementation of the recommendations presented here will depend in part on where it sits in a value chain and whether it is at risk of causing, contributing to or being linked to a potential adverse impact. Questions to consider are:

- ? **Does your company own, lease or control land directly and/or have a direct sourcing relationship with farmers?** If so, implement these interventions directly, in collaboration with relevant stakeholders, including women's rights organizations.
- ? **Does your company rely on land through suppliers?** If so, set clear requirements, communicate them to suppliers, then work with and through suppliers to implement them. Doing so entails: formalizing requirements in a supplier code of conduct; providing the right incentives such as preferential sourcing agreements; adapting procurement practices; financial investment; supporting suppliers; using and building leverage; and monitoring for, reporting on, and holding suppliers accountable to progress.
- ? **Does your company invest in land as a financial asset?** Best practice is to commit to refrain from treating land as a commodity rather than as an essential resource for the wellbeing of people and the planet. When investing in agribusinesses, address these essential issues on land inequality by assessing investees' commitments to, and track record of, action, then use (and build) leverage to incentivize and hold investees accountable to progress.⁷



Above: Zaida Mendoza Navaro works on a pineapple plantation in Upala, San Carlos, in Alajuela province, Costa Rica. Photo: Andres Mora/Oxfam

Where a company sits in a value chain will determine how it implements these recommendations.

EIGHT ESSENTIAL ISSUES FOR BUSINESS ACTION

The eight issues fall into three categories:



Each essential issue contains a list of related recommendations for better corporate practice.

KNOW, ASSESS, AND ADDRESS



1

Publicly recognize the extent of the company's land footprint; promote more local control of land

- Recognize the extent of the company's land footprint. Land footprints comprise the total amount of land used within a company's value chain. This includes land used directly and indirectly for commodity production (land owned or leased, used by suppliers, used in centrally managed outgrower schemes, etc.); planned expansions and mergers and acquisitions (M&A); the amount of land a company relies—or plans to rely—on for carbon removal; and investments;
- Promote more local control of land across operations and value chains;
- Commit to refrain from expanding the company's overall land footprint;
- Ensure full supplier transparency and traceability;
- Disclose and commit to reduce emissions across all scopes.

2

Know where harmful land acquisitions and land-use changes are at high risk of occurring; take steps to prevent them

- Ensure company land commitments are up to par;
- Integrate land use and land rights into human rights due diligence and assessment processes;
- Not include the use of offsets as part of the company's efforts to meet science-based targets; where companies want to scale up climate ambitions beyond reducing their own emissions, ensure offsets are of high quality;
- Ensure respect for communities' free, prior, and informed consent (FPIC) decisions.

3

Ensure remediation for harms and effective grievance mechanisms, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs)

- Adopt policies related to remediation and grievance mechanisms that adhere to the UNGPs and cover the company's full land footprint;
- Develop a plan for hastening remediation efforts when the company has caused or contributed to a grievance;
- Develop a plan for using and increasing leverage when the company is linked to a grievance across value chains;
- Engage with community-based monitoring mechanisms;
- Create or participate in effective operational-level grievance mechanisms;
- Engage in mediation processes where they are initiated as a result of grievances filed.



INVEST

4

Support business and climate mitigation models that reduce land inequality and secure small-scale farmers' and communities' land rights

- Avoid harmful—and most are harmful—large-scale land acquisitions;
- Instead, prioritize business models that help reverse land inequality;
- Establish long-term partnerships with women-led small and medium enterprises and recognize women in commercial relationships;
- Apply robust safeguards and promote equitable and inclusive approaches where strategies for land-based climate solutions are used.

5

Invest in landscape management approaches

- Invest in landscape management approaches that adhere to freedom of choice, accountability, improvement, and respect for rights (FAIR) principles;
- Engage directly with the relevant associations of small-scale farmers, IPLCs, and/or women's networks as key parties in the design and implementation of these initiatives;
- Support women's equal participation in decision-making processes related to land;
- Engage in equitable and participatory land-use planning;
- Draw on community-based monitoring as a tool, jointly agreed, to underpin the agreement.



ENGAGE AND ENABLE

6

Work in partnership to help secure women's and communities' land rights

- Publicly recognize the importance of securing IPLC land rights (for people and the planet);
- Establish an ambitious goal for supporting small-scale farmers and IPLCs to strengthen enjoyment of their land rights;
- Recognize the link between women's land rights and women's economic empowerment and apply a gender lens when supporting initiatives intended to secure land rights;
- Partner with local women's groups, cooperatives, civil society, and other local stakeholders to meet this goal.

7

Protect human rights and environmental defenders

- Recognize and commit to protect the rights and legitimacy of human rights defenders (HRDs);
- Ensure due diligence mechanisms (see Essential Issue #2) identify risks to HRDs, and grievance mechanisms (see Essential Issue #3) are accessible to HRDs;
- Use leverage and speak out in defense of HRDs as well as against legal reforms that are aimed at restricting civil society space;
- Engage with communities and local civil society in an inclusive and culturally and gender-sensitive way to identify and address risks to HRDs;
- Not use or support strategic lawsuits against public participation (SLAPP) or other legal strategies that diminish established legal protections for HRDs.

8

Support strong government and sector-level action on land inequality

- Make government and sector-level engagement and advocacy on land inequality part of the company's sustainability strategy;
- Use political voice and economic weight to promote (and not hinder) strong government and sector-level action on land inequality;
- Ensure that business practices do not hinder but complement and facilitate strong government and sector-level action on land inequality.

ENDNOTES

- 1 W. Anseeuw and G.M. Baldinelli, *Uneven Ground: Land Inequality at the Heart of Unequal Societies* (ILC, 2020), <https://www.landcoalition.org/en/uneven-ground/report-and-papers/> (accessed 26 September 2022).
- 2 Ibid. In addition, research has shown lower deforestation rates and higher carbon density on land managed by Indigenous peoples and local communities (IPLCs), with even better rates where their land tenure is secure. Peter Veit, *4 Ways Indigenous and Community Lands Can Reduce Emissions* (World Resources Institute, 2021), <https://www.wri.org/insights/4-ways-indigenous-and-community-lands-can-reduce-emissions> (accessed 29 August 2022).
- 3 Anseeuw and Baldinelli. (2020). *Uneven Ground*.
- 4 Including living income. Stronger land tenure has been found to contribute to increased farmer productivity and income. S. Lawry, C. Samii, R. Hall, A. Leopold, D. Horby, and F. Mtero, *The Impact of Land Property Rights Interventions on Investment and Agricultural Productivity in Developing Countries: A Systematic Review*, *Journal of Development Effectiveness* 9, no. 1 (2016), <https://www.tandfonline.com/doi/full/10.1080/19439342.2016.1160947> (accessed 14 September 2022).
- 5 J. Lay, W. Anseeuw, S. Eckert, I. Flachsbarth, C. Kubitzka, K. Nolte, and M. Giger, *Taking Stock of the Global Land Rush* (Land Matrix, 2021), https://landmatrix.org/documents/118/Land_Matrix_Analytical_Report_III_digital.pdf (accessed 29 August 2022).
- 6 Environmental, Social, and Governance (ESG)
- 7 For further analysis, see: Shift, Financial Institutions Practitioners Circle, *Using Leverage with Clients To Drive Better Outcomes For People* (Shift, 2021), https://shiftproject.org/wp-content/uploads/2021/07/FIs-Circle_Summer-2021_Using-Leverage-to-Drive-Better-Outcomes-for-People.pdf (accessed 28 August 2022).

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Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK

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