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Towards a Just Transition in Global Food Systems



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The Need for a Just Transition in Global Food Systems

The global food system is increasingly complex and interdependent. Global food demand is projected to increase by more than 50%¹ from 2010 to 2050, while rising global temperatures and increasingly frequent extreme weather events pose significant challenges to crop yields and food production, exacerbating pressure on the food system.



At the same time, the food system itself is a significant contributor to rising greenhouse gas (GHG) emissions², as well as water and air pollution, deforestation, and social inequality. Food production has a massive ecological footprint. It occupies half³ the world's habitable land and consumes 70% of global freshwater⁴. Emissions from food production alone are projected to surpass the 1.5°C or 2°C threshold needed to limit extreme climate damage by the end of this century. Additionally, over 30%⁵ of food is lost in the supply chain and wasted during consumption, representing 8-10% of global greenhouse gas emissions.

570 million smallholder farmers sit at the core of this complex and interdependent system: they feed one third of the world's population⁶, yet they are themselves food insecure and particularly vulnerable to the adverse impacts of climate change. Putting these stakeholders at the heart of transformational change in the global food system is essential for a just transition.

But how can we feed a rapidly growing population in a sustainable, healthy, and just manner? No single entity or stakeholder can do this alone. We need diverse action and collective effort from stakeholders spanning multiple sectors – from smallholder farmers to multinational food companies, consumers, and everyone in between.

To advance this agenda, the Skoll Centre for Social Entrepreneurship and the Oxford Martin School Programme on the Future of Food co-hosted a convening, *Towards a Just Transition in Global Food Systems*, in January 2024. The event brought together a diverse group of over 80 participants spanning the private, public, and social sectors, with discussions focused on three key questions:

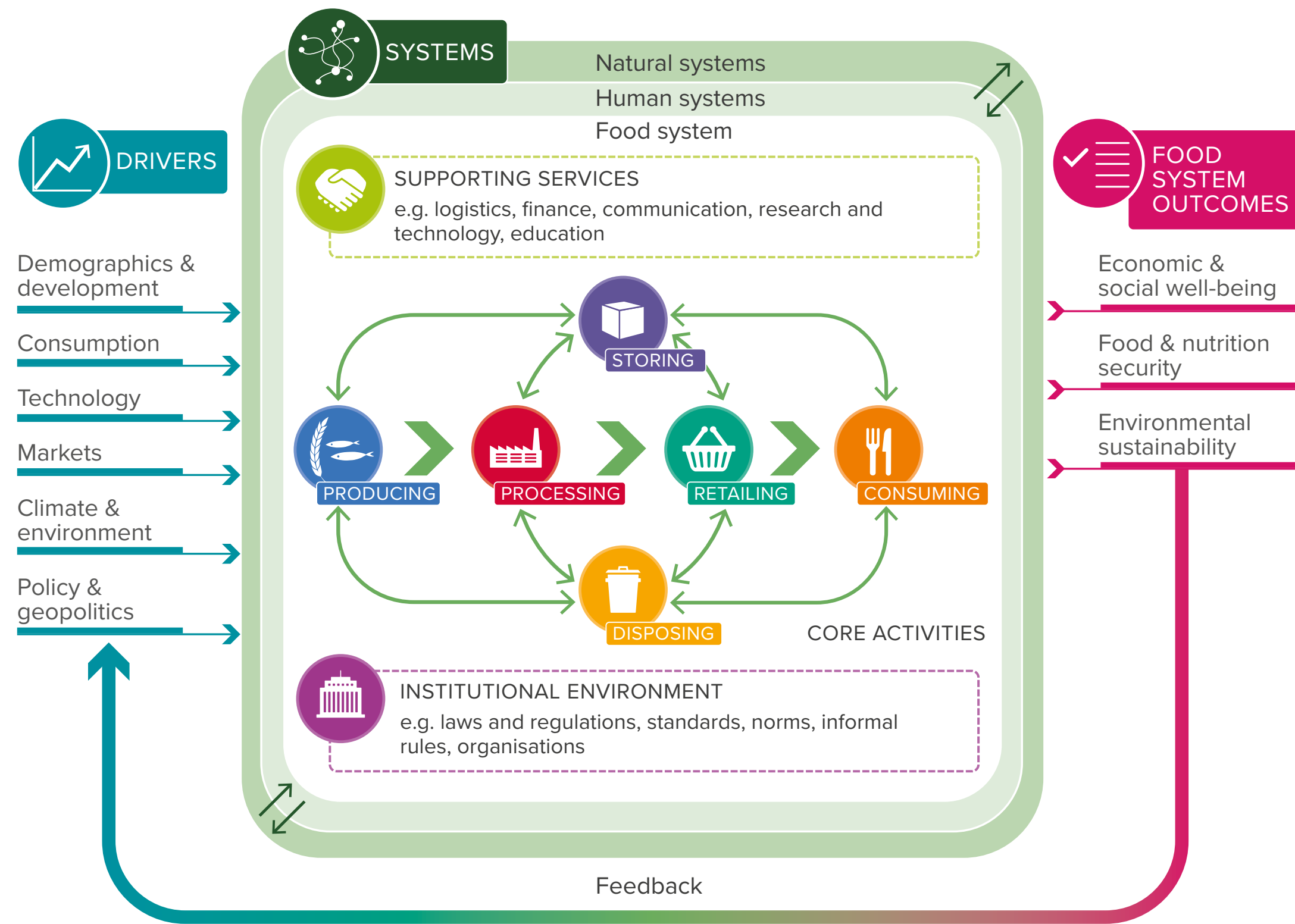
- How can we catalyse a just transition at scale across the global food system?
- What roles and responsibilities are needed from different players in the food value chain?
- How can purpose-driven businesses contribute to the transition, balancing competing demands of sustainability, human rights, and the bottom line?

Bridging theory and practice, the convening surfaced dilemmas and challenges, actionable research insights, and industry best practices for working towards a just transition in global food systems. This report distils the key insights.

Leveraging Systems and Foresight Thinking

Systems thinking and foresight thinking offer valuable tools for understanding the current state of global food systems, and developing scenarios for alternative futures that are more just and sustainable.

Figure 1 Foresight4Food Food Systems Model (Woodhill et al. 2020).



Systems thinking provides a framework for analysing the context in which a value chain operates, allowing us to identify drivers of value chain relationships as well as the outcomes of these relationships and the feedback loops that connect them, as shown in Figure 1. The first step in using systems thinking is to map the system and identify key stakeholders, the relationships between them, and the intended and unintended outcomes arising from these interactions. Doing so surfaces competing demands: how can we build a just, ethical, and equitable food system that ensures a clean and healthy planet, a thriving economy, and a healthy diet for all?

Foresight thinking helps us to address this question by looking beyond the current state of the system and anticipating possible future scenarios. It involves a systemic approach of analysing current trends, identifying emerging patterns, and considering factors that could shape alternative future outcomes. Foresight thinking prompts us to consider questions such as: How can we navigate and mitigate risks we face now and may face in the future? How can we strike a balance between short-term political and financial pressures and long-term generational needs? What new technological or other opportunities and innovations are on the horizon, and how can we harness them? And how can we collaborate across different sectors of the system to progress towards a more desirable future?

Together, systems and foresight thinking surface key dilemmas in global food systems and point towards potential approaches for navigating them. The following two sections of the report explain these dilemmas and the most promising strategies for addressing them.



Dilemmas and Challenges in Fostering a Just Transition

Fostering a just transition will require navigating the dilemmas embedded in our current system – dilemmas arising from the competing demands of building a just, ethical, and equitable food system, ensuring a clean and healthy planet, enabling economically thriving, robust food value chains, and providing adequate, safe, and healthy diets for all.

Tensions between these different imperatives create challenges for all stakeholders in the system, especially for global businesses seeking to balance purpose with profits. How can firms support sustainability and human rights initiatives while also delivering strong financial returns? How can they balance the environmental benefits of new technological innovations with the potential job losses these innovations bring? How can they take on greater responsibility for compliance with environmental and human rights standards while managing the associated financial costs?

Underneath these broad challenges are a host of more specific dilemmas and challenges facing firms and system as a whole. These include:

Fragmented action by firms

While some businesses are seeking to take a leadership role in working toward a just transition, action from businesses, governments, and other stakeholders remains fragmented, and there is no consensus on what a just transition means or how to best foster it. As a result, firms currently bear the financial burden individually and risk duplication of efforts. These factors are not only barriers for those leading firms who are already motivated to act; they also deter others from joining in.

Lack of voice from key stakeholder groups

When firms do take action, critical stakeholders such as smallholder farmers often lack a seat at the decision-making table and are left out of firms' transition plans. Bringing these voices into the conversation is critical for fostering a just transition, but widening participation creates its own challenges, introducing new interests which may not be aligned with those of global firms. Can shared value be created? And if not, how can firms balance profits and the benefit of others in the system?



Complex reporting requirements

The regulatory context in which firms operate presents another set of dilemmas. Non-financial reporting requirements are increasing in number and complexity, signalling progress in our ability to hold businesses accountable for their environmental and social impacts but also raising compliance concerns within firms. Due to the challenges in accessing required reporting information from numerous globally distributed farms, for example, businesses may be inclined to favour large-scale industrialised farming over the more sustainable approach of small-scale, localised farming. In addition, meeting non-financial reporting requirements requires adherence to long-term sustainability objectives, which may conflict with short-term performance metrics. Aligning the two requires integrating forward-thinking into current practices, and this is as much a cultural challenge as a technical one, involving shifts in mindsets not just measurement practices.

Misaligned incentives

Looking beyond the challenges facing firms and toward the system as a whole surfaces additional challenges. Food system value chains are fragmented, with misaligned incentives across different actors. With large food companies able to transfer commercial risks and labour standards management onto suppliers, for example, compliance and price pressure are often pushed down the supply chain, reducing the share of retail prices that farmers can capture. At the same time, global food companies' suppliers are often large companies themselves, with shared responsibility in driving the just transition agenda.

Data transparency and accessibility

There are also challenges of data transparency and accessibility. Having credible and comprehensive data from multiple actors across the value chain is essential for assessing the health and sustainability benefits of the food we produce, and making these data accessible and transparent has the potential to catalyse system transformation. But realising this potential will be difficult, as actors across the value chain have different motivations, goals, and resources for addressing demands for transparency.

Consumer choice

Despite growing consumer demand for healthy, sustainable food and an expanding offering from food companies to meet this demand, healthy choices remain out of reach for some consumers, particularly those with limited resources. Addressing this issue will require grappling with questions of cost and power: Who will bear the costs of providing broader access to affordable, healthy, and sustainably produced food? Are organizations in positions of power willing to push for change? Individual preferences also need to be accounted for, as healthy and sustainable eating cannot simply be mandated.



Strategies for Navigating Food System Dilemmas

Catalysing multi-stakeholder collaboration

Addressing these dilemmas and challenges will require collaboration between diverse stakeholders whose interests, priorities, and resources may not be aligned. Although such collaborations are never easy, we are starting to see innovative approaches to collaboration emerging in the sector, and there are lessons to be learned from multi-stakeholder collaborations in other sectors as well.

The Africa Sustainability Commodities Initiative, for example, brings together actors from government, private sector, communities, and civil society. This inclusive strategy ensures diverse perspectives, expertise, and resources are utilised. By fostering trust, transparency, and accountability, such collaborations lead to more effective problem-solving and solution implementation. Moreover, including local players ensures outcomes are tailored to community needs, promoting sustainable development and resilience.

The Coalition of Immokalee Workers (CIW) offers another example: In tackling the harsh working conditions and declining wages of tomato farmers in Immokalee, Florida, the CIW took a systems approach. Rather than targeting individual farms and bosses, they analysed the entire supply chain, revealing how large retailers use their purchasing power to drive down farm gate prices. This pressure forced growers to transfer costs and risks to the most vulnerable part of the supply chain: the farm workers. Understanding these power dynamics, CIW mobilised consumers to demand ethical sourcing from corporations, leading to successful outcomes. Walmart and other major corporations have now collaborated with CIW to set new standards for worker wellbeing in their supply chain, sparking replication in new sectors, including UK fisheries.

There are also opportunities to learn from multi-stakeholder approaches developed in other industries. In the ready-made garment sector in Bangladesh, for example, the Bangladesh Accord brought together workers, trade unions, and global retail companies to collectively address factory safety, recognising safety as a shared responsibility. This collaborative effort not only acknowledged minimum standards as essential, it also addressed power imbalances by including garment sector workers, unions, and global brands at the same table – an approach that could be replicated in the food system.

Realigning incentives and shifting resources

Efforts to foster multi-stakeholder collaboration will be facilitated when incentives become more aligned and resources devoted to propping up the current system can be unlocked and redistributed. Profitable nature stewardship involves aligning economic incentives with environmental conservation efforts, ensuring that protecting nature is not only ethically sound but also economically viable. This could involve, for example, introducing payment schemes for those who actively engage in nature stewardship practices or advocating for changes in tax systems to recognise the inherent public value of nature, thus incentivising investments in its preservation and sustainable management.

Shifting the distribution of resources is equally important. Reallocating subsidies in the current system towards regenerative food practices, while also accounting for the costs associated with global warming, offers a promising way forward.





Developing new narratives

Reframing key terms and developing more compelling narratives is equally critical for engaging multiple stakeholders – especially farmers, who are often unheard and left out of decision-making in global supply chains. Simplified narratives, built around concepts that resonate with target stakeholder groups, can help to avoid alienation. Farmers may not be motivated by concepts like carbon markets or regeneration, for example. Narratives based on tangible benefits and using terms such as “soil health” are likely to be more compelling to farmers and more effective in fostering engagement.

Adopting and embedding a both/and mindset

While the strategies above are important for shifting the system as a whole, there are also several approaches that are particularly critical for global firms. This starts with leaders adopting a ‘both/and’ mindset. While an ‘either/or’ mindset encourages us to simply manage or monitor competing demands, a ‘both/and’ mindset invites us to seek integrative solutions that reconcile seemingly opposing forces of profit and purpose, short-term and long-term, action and analysis.

To change our mindsets, we need to change the questions that we ask. This might involve, for example, asking how you can be an activist within business, rather than whether you are an activist or a business-person.

Efforts to adopt a both/and mindset are more powerful when they are embedded into an organisation’s governance and decision-making structures, creating accountability for considering competing demands from multiple perspectives and seeking ways forward that take all these demands into account. The B Corporation (B Corp) movement offers an example. B Corps must amend their businesses’ legal constitutions to explicitly consider both shareholders and stakeholders (e.g., workers, members of the communities in which the business operates, future generations). They embed both/and thinking in the highest levels of their business governance, which becomes part of their decision-making processes.

Experimenting, learning, and adapting

Even with a both/and mindset and supportive governance structures, though, integrative solutions will not always be possible. Moments where you can bring together the best of both sides are wonderful but few and far between. What is more common is ‘tightrope walking’: making micro shifts between competing demands over time. You are able to move forward on the tightrope not by balancing fully, but by continuously shifting left and right to stay balanced.⁷

It is critical, then, that firms foster a culture of experimentation, learning, and adaptation. We need leaders who encourage small-scale experiments, perhaps in a single local market or product line; leaders who allow employees to take risks and sometimes to fail; leaders who celebrate learning from experiments, risk-taking and even failure. We also need to build in the capacity to adapt – because navigating dilemmas, seeking both/and solutions, and working to shift complex global systems is not a linear or predictable process. It requires ongoing dynamism and adaptation.

Moving Forward Together



Moving forward, two key elements will be critical. First, we need to develop shared principles and best practices for fostering a just transition – practices that take account of the evolving regulatory environment and its impact on the actors most at risk from any changes. For sustained success, however, government support is also needed in order to mitigate associated risks.

Developing these principles and best practices will require working collaboratively with stakeholders who have a vested interest in and are affected by the transition, creating formal platforms for deliberation on key dilemmas, and identifying mutually agreed-upon next steps. Second, we need to enlist multiple stakeholders in resourcing and financing the transition. Businesses can play a crucial role by investing in their supply chains, collectively raising the competitive baseline for all firms and helping the system to reach a tipping point. For sustained success, however, government support is also needed in order to mitigate associated risks.

Endnotes

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⁵ Seeking end to loss and waste of food along production chain (no date). Available at: <https://www.fao.org/in-action/seeking-end-to-loss-and-waste-of-food-along-production-chain/en/> (Accessed: 5 March 2024).

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