

# Feed yourselves first

In 2008, the South Korean electronics company Daewoo agreed to lease 1.3 million hectares of land in Madagascar. Daewoo pays no rent for the land and intends to use it for producing maize and palm oil – not to satisfy the hunger and needs of the local people, but to ship the harvest to South Korea. The *Financial Times* called it ‘food colonialism’.

It was a matter of food security, according to Daewoo. In a time of rising food prices and street riots, countries that depend on food imports are seeking new ways to secure food. Last year, some food-exporting countries such as Argentina, Ukraine and Kazakhstan restricted exports to ensure local needs were met. The UN Food and Agriculture Organization has referred to this trend as neocolonialism.

South Korea could eventually grow enough maize in Madagascar to fulfil half of its requirements. But the people of Madagascar would hardly benefit from it. Daewoo will import farm labour from South Africa, roads will be built to and from the plantations and Madagascar’s ports will be a little busier. But the lion’s share of the maize and palm oil will go to South Korea, while 600,000 people in Madagascar will continue to rely on food aid from the UN.

Those who defend the plan say there is more than enough uncultivated fertile farmland in Africa, so this ‘food colonialism’ is not taking place at the expense of potential local food production. On the contrary, they say, Africans will learn a lot from it. On the other hand, large areas of rainforest will have to be cut down to make room for the plantations. And those trees are crucial to counteract the effects of climate change, which causes drought and crises in the agricultural sector, and so on.

Daewoo is only one example. The United Arab Emirates, which import 85% of their food and build palm-tree shaped islands off their coasts, are investing in ‘strategic’ farmland in Pakistan. Saudi Arabia and Qatar are following suit. Somalia and Sudan, failing states where hunger is widespread, are also wooing Arab agro-investors with large areas of land. The Arab countries have money but can grow almost nothing themselves, except in air-conditioned greenhouses, and the food crisis has made them nervous. The free market proved not to be so free when some countries closed their trade borders, so they have responded by making bilateral agreements with countries that have a surplus of land. Libya is scouting out the market in Ukraine and Thailand, Ethiopia is rolling out the red carpet for Saudi investors, China is



turning its attention to the steppes of Mongolia and Kazakhstan. And Iran is exchanging oil for rice.

If there is enough water and artificial fertilizer available, even infertile land becomes a strategic commodity. Food is a strategic asset. It is not only useful to have it yourself in times of price rises and hunger; if you build up extra stocks you can export it again in times of scarcity – and that gives you power.

Next year, the effects of the financial crisis will still be felt, which will make things difficult for farmers and increase the pressure on export financing. More ominous are the consequences of climate change, as outlined in a study by David Battisti and Rosamond Naylor that *Science* magazine featured in January. At the end of this century, rising temperatures will result in declining harvests, leading to severe food shortages which will affect three billion people – a third of the world’s population. Most of them will live in the tropics and subtropics but, because the scarcity will be worldwide, it will no longer be possible to relieve it through trade and a better distribution of surpluses and shortages.

If countries are already preparing to compete for scarce farmland, the poorest three billion people in the world will be in a weak position. Will hungry people in Somalia and Madagascar stand by and watch while food from their plantations is shipped abroad? ■

*Note from the Editor: As The Broker went to press, the Daewoo deal was cancelled following a coup in Madagascar.*

📖 A longer version of this column, with references, can be found at [www.thebrokeronline.eu](http://www.thebrokeronline.eu).

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