Supporter briefing

A new wave of colonialism

How the UK government is helping corporations take control of African food

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The global food crisis of 2007-8 put hunger at the top of the international agenda, sparking calls for more investment in agriculture. Since then there have been a growing number of initiatives, championed by governments and multinational companies, that claim to support agricultural production in Africa. Using the rhetoric of addressing hunger, they are pushing a model of agriculture which increases the control of multinational companies at the expense of small-scale farmers who feed 70 per cent of the population. Corporations are seeking new markets and their attention is turning to Africa which the World Bank has dubbed "the last frontier" in global food markets. Aided by rich governments and institutions, the scene is set for an alarming 21st century scramble for Africa.

Carving up Africa

Over a hundred years ago, European colonialists carved up Africa. Under the guise of philanthropy, they claimed that Africans needed civilising and that the land was empty. In reality, Africa provided a convenient source of raw materials and cheap labour. Infrastructure such as ports and railways were built to transport resources such as rubber and ivory back to European markets to feed the industrial revolution and enrich the colonial elites. Today, these colonial tactics are being deployed once again by rich governments and big business who are colluding to take control of African land and resources.

Who benefits?

The most recent of these initiatives was launched in 2012. The New Alliance for Food Security and Nutrition (New Alliance) is a G8 initiative that provides aid money and facilitates private sector investment to the African agricultural sector with the stated aim of lifting 50 million people out of poverty by 2022. There are currently ten African countries signed up: Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Mozambique, Tanzania, Benin, Malawi, Nigeria and Senegal along with just over 50 companies including Monsanto, Cargill and Unilever and around 100 African companies.

In spite of the New Alliance's rhetoric about poverty alleviation and addressing hunger, the real beneficiaries are multinational corporations who profit from gaining resources such as land and access to raw materials for input to their products. Claims around addressing hunger are undermined by the fact that, of the ten African countries with the highest levels of hunger, only one (Ethiopia) is involved in the New Alliance. Also the majority of countries in the New Alliance are coastal countries with ports that can facilitate the export of agricultural crops.

In return for aid money and corporate investment, African countries signing up the New Alliance are required to make policy changes in land, seed and trade rules which will take control of the African agricultural sector away from small-scale farmers and into the hands of multinational companies. The investment promised by the corporations prioritises export crops (such as tobacco, palm oil and biofuel crops) and plantations with heavy chemical use rather than growing crops for local consumption using sustainable techniques.

Infrastructure for export

Another aspect of this approach which strongly resembles a modern-day colonial project, are agricultural growth corridors. This model is based on the perception that there are large areas of under-utilised land in Africa that can be used for large-scale agricultural production. By developing infrastructure in these areas, big companies can make it easier to import inputs such as fertiliser and pesticide and export crops to international markets. The international fertiliser company Yara came up with the concept of agricultural growth corridors in 2008 and it was adopted by

Web of initiatives

In addition to the New Alliance and agricultural growth corridors, other initiatives are also pushing corporate-dominated agriculture:

Alliance for Green Revolution in Africa (AGRA)

AGRA was set up by the Rockefeller Foundation and the Bill and Melinda Gates Foundation in 2006 to promote industrial agriculture in Africa. AGRA promotes the production and distribution of corporate-controlled seeds, artificial fertilisers and the increased involvement of small-scale farmers in international supply chains.

Countries involved: Ghana, Mali, Mozambique, Tanzania, Burkina Faso, Ethiopia, Kenya, Malawi, Niger, Nigeria, Rwanda, South Africa, Uganda and Zambia.

New Vision for Agriculture

The World Economic Forum launched its 'New Vision for Agriculture' in 2009. Led by 33 multinational companies including Cargill, Coca-Cola, Monsanto, Nestlé and Wal-Mart, the initiative consists of national projects which increase the role of corporations in agriculture.

Countries involved: Burkina Faso, Ethiopia, Ghana, India, Indonesia, Mexico, Kenya, Mozambique, Nigeria, Rwanda, Tanzania and Vietnam.

Grow Africa

Building on the New Vision for Agriculture, Grow Africa is an initiative of the World Economic Forum and the African Union convened in 2011. Its aim is to facilitate corporate investment. The initiative introduces investment commitments from 62 companies, including many of the companies involved in the New Vision for Agriculture and the New Alliance, such as SABMiller, Syngenta and Unilever.

Countries involved: Burkina Faso, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda and Tanzania.

the World Economic Forum in subsequent years as part of its 'New Vision for Agriculture'.

However, the areas being targeted tend to be those with the most fertile and productive land, and which already have infrastructure in place. The main agricultural growth corridor projects under development currently are the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) and in Mozambique, the Beira, Nacala and Zambezi corridors, of which the latter two are part of an agribusiness mega-project known as ProSavana.

Winners and losers

While the companies and governments involved present these initiatives as a win-win solution for producers and companies, African small-scale producers are under no illusion about the real agenda driving these schemes. Almost a hundred African producer groups and civil society organisations described these initiatives as a 'new wave of colonialism' to take control of Africa's resources and agricultural inputs as well as extracting resources and profits out of Africa. Ultimately these schemes will benefit multinational companies at the expense of small-scale food producers.

Taking control of resources

Land

Land is a fundamental resource for small-scale food production and yet all the initiatives facilitate the transfer of land to corporations. The Grow Africa website hosts investment brochures offering investment opportunities, for example 100 hectare horticultural production farm in Burkina Faso. Most of the countries in the New Alliance are pressured to make changes to land rules which will make it easier for corporations to take over land. For example, the Ethiopian government has committed to "establish a one window service that assists agriculture investors ...secure access to land". Given the fundamental role of land in food production, its loss from small-scale producers has significant impacts including displacement and loss of livelihoods.

Seed

Farmers have freely bred and saved seeds for generations but reforms to seed laws, as part of the New Alliance, accelerate corporate-led attempts to prevent the age-old practice of breeding and exchanging of seed varieties. This will help seed companies to protect their profits. With the single

Photo: Jess Phillimore for The Gaia Foundation.

Small-scale producers save and swap seeds every year.


Photo: Teo

Spraying crops with pesticides.

exception of Benin, all the African countries involved in the New Alliance have made some kind of policy commitment to reform seed laws which will increase private sector involvement. For example, Mozambique has committed to implement a new seed policy that will systematically cease distribution of free and unimproved seeds. Such changes will force small-scale farmers to either rely on purchasing expensive commercial seeds from the seed companies or face criminalisation for saving and exchanging their own seeds.

Chemical inputs

These initiatives also heavily promote the increased and widespread use of chemical fertilisers and pesticides. While increased use of chemical fertilisers bolsters corporate profits, small-scale farmers face greater indebtedness as they have to rely on purchasing chemical inputs from a powerful oligopoly who control prices. Food producers also lose out as the continuous use of chemicals depletes the soil quality of their land.

Labour

Agribusiness companies often acquire land to set up large-scale commercial farms or plantations. As small-scale farmers are pushed off the land, they lose their livelihoods. Companies can often find large pools of people whose only real options are agricultural labouring jobs, or moving away. A study by the World Bank found that, “investments create far fewer jobs than are often expected”. The jobs created on plantations or large commercial farms are often poorly paid and insecure. Women tend to lose out even more, as far less of any new jobs created benefit women and the jobs they did get, tend to be even more insecure and short term with poorer conditions. And even if their male partners increase their income from new employment, women do not necessarily benefit due to the income being managed by the men.

Large companies can also access land and labour by introducing outgrower schemes which are included in many of these initiatives. This is where producers enter into contracts with large companies to supply them with crops. Outgrower schemes can be problematic as there is a significant power imbalance between a small-scale producer and a large company which puts producers are at risk of abuse – for example, making unreasonable demands on producers, arbitrarily downgrading quality (resulting in lower payments) and late payment. There is also a risk of indebtedness as inputs are generally not supplied free of charge, and producers may have no choice but to get them from the company with which they have the contract.

Extracting resources and profit

Supplying foreign markets

Much of the promised increase in agricultural production is for export, with a focus on crops such as tobacco, palm oil and biofuels. The trade reforms that many African countries in the New Alliance are required to make are also set to benefit corporations by reducing the restrictions and taxes on the export of agricultural produce. Even in times of crisis, African countries would not be able to prevent crops leaving the country. Promoting export crops creates dependency on importing staple crops, making countries highly vulnerable to global food price fluctuations and can mean valuable foreign currency reserves are spent on purchasing food rather than being used to address other development needs. The cost of pursuing export-oriented agricultural policies has already been seen by many developing countries following the now-discredited structural adjustment policies they were forced to implement by the IMF and World Bank in the 1980s and 1990s.

Getting a slice of new consumer markets

Consumer goods companies such as Unilever, Diageo and SABMiller also see an opportunity to tap new but potentially significant markets in Africa. For example, in the New Alliance, Unilever is upfront about the importance of Africa in its business strategy and its target to double the size of its business in the continent.

However profit flows do not always stay in Africa, instead the profits of multinational companies return to the company’s headquarters to be invested wherever the company considers the greatest returns are likely to be made. Also profits are distributed through dividends to shareholders, who may be located anywhere in the world, but are much more likely to be based in developed countries.

Often far less of the profits stay in the host country than they should due to tax avoidance. For example, SABMiller, which has New Alliance commitments in Ghana, Mozambique and Tanzania and is also involved in the New Vision for Agriculture, Grow Africa and SAGCOT, has 65 tax haven companies to avoid paying local taxes with an estimated loss of tax revenues of up to £20m a year in Africa.

Usual suspects

All these initiatives are pushing the same corporate-led agenda and involve the same players in a complex and interconnected web. For example, AGRA is represented on the Grow Africa task force, and is a partner in the Beira growth corridor and SAGCOT. Meanwhile, many of the corporate commitments made to Grow Africa initiatives mirror those made as part of the G8’s New Alliance for Food Security and Nutrition.

The agricultural growth corridor concept was developed by multinational fertiliser company Yara, which is a partner company in the New Vision for Africa, a founding member of SAGCOT and is also involved in Grow Africa, the New Alliance and the Beira corridor. Arne Cartridge, former vice president of Yara International and still secretary-general of the Yara Foundation which presents an annual prize for an African Green Revolution, is the director of Grow Africa and director of global partnerships for food security for the World Economic Forum.

Other companies that are involved in the New Vision, Grow Africa, the New Alliance and one or more of the agricultural growth corridor projects include biotechnology firms DuPont, Monsanto and Syngenta, and UK-based food and drink companies Diageo, SABMiller and Unilever.

UK aid

The UK has so far committed £600m of aid money to the New Alliance between 2012 and 2016. Using aid to support these initiatives is problematic on two levels. Firstly, making aid conditional on policy reforms by the recipient country is contrary to the UK's Department for International Development (DfID) policy, which states "We will not make our aid conditional on specific policy decisions by partner governments, or attempt to impose policy choices on them (including privatisation and trade liberalisation)".

The second problem with using UK aid money to support corporate involvement is that it diverts much needed public funds away from projects which corporations would never fund (because it is not profitable for them to do so). For example, aid money could help with capacity building for farmers to use agroecological methods. Rather than resulting in increased sales of artificial fertilisers and pesticides, this would give producers an alternative to purchasing such inputs. Alternatively, aid money could be used to improve transport infrastructure so that farmers are able to reach local and regional markets. This is a marked contrast with the agricultural growth corridors model which is about connections to ports to help companies export more easily.

Investing in food sovereignty

These initiatives are all set to benefit big business at the expense of small-scale food producers. This is an inevitable consequence of a corporate-dominated system in which a small handful of powerful multinational companies effectively control the global food system at the expense of large numbers of producers and consumers. Our corporate dominated food system has led to environmental damage, huge reliance on energy and non-renewable resources, waste, obesity and hunger. This is a system that cannot go on.

Over the last 20 years, an alternative framework to the corporate-controlled industrial agricultural system, known as food sovereignty, has been developed. The term was coined by La Via Campesina, the international movement of peasants, and has since developed into a global movement. Food sovereignty puts people who produce, distribute and consume food at the centre of decisions on food systems and policies rather than the demands of markets and corporations. It is about valuing locally-produced food and the work and knowledge of the people who produce it, reclaiming democratic control of our food system and practising sustainable methods.

(For more information please see WDM briefing: Transforming our food system: The movement for food sovereignty)

What can be done?

In solidarity with small-scale producers and civil society groups in Africa, WDM is calling on the UK government to stop funding pro-corporate projects and attaching conditions that require African governments to make policy changes that favour large corporations. The first step would be for the UK government to stop funding the New Alliance. Instead UK food and agricultural aid spending should be used to support the principles of food sovereignty to enable small-scale farmers and poor communities to maintain control over sustainable and productive food systems that prioritise food for local populations over exports.

Photo: Sustainable Agriculture Tanzania

Growers in Tanzania learn ecological farming skills with the local organisation Sustainable Agriculture Tanzania.

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