Privatising aid is a dangerous strategy
The objective of aid should be to make itself unnecessary, but this may not be top of private companies' priorities

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"There is one thing worse than having private companies come to your vicinity to exploit your resources," a young Senegalese man once told me, "it is to have none."

Though he had extractive industries in mind, the same paradox haunts the debate on development aid. Private companies – either acting on their own initiative or in public-private development partnerships – are increasingly relied upon to support the reinvestment in developing world agriculture.

As the Senegalese man observed, it would be a mistake to suggest that developing countries can do without investment. This is particularly true of agriculture, where 30 years of neglect must be remedied. And it is imperative for many low-income, food-deficit countries, whose current situation – in which they produce a narrow range of raw commodities but import an increasing proportion of their food – is not sustainable.

It is often the countries with the greatest need to rebuild their food production base that are most stripped of the cash needed to make these investments. In order to support investment in agriculture, governments have therefore come to rely on private sector investment and development aid – and increasingly a partnership of the two.

The New Alliance for Food Security and Nutrition, proposed by Barack Obama and the US Agency for International Development, and launched in May 2012, will draw more than $3bn of private sector investment into food security plans in Africa.

The very factors that make Africa a target for agricultural development aid also make it a promising land market for multinational investors. But opportunities should not be mistaken for solutions. Problems can arise when private companies take a central role in aid programmes. It is not necessarily a case of the programmes being ineffective – in many cases New Alliance-style investments will do just what they set out to do, and drive up food production. But what are the costs of this type of approach?

One of the New Alliance projects will see agri-food giant Cargill, subsidised by G8 development funding, take some 40,000 hectares of farmland in Mozambique. This comes at a time when peasant movements and smallholders across the developing world

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