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## Middle East Food Insecurity: A Regional Challenge in Need of Regional Solutions<sup>1</sup>

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**F**ood insecurity is a global threat. The nature of food and the means of its production make food insecurity a uniquely complex problem with social, political, economic, and ethical dimensions. Serious efforts to promote food security must respond to the complexities of the challenge.

The Middle East is particularly susceptible to food insecurity.<sup>2</sup> While the region does not face any foreseeable near-term threat of famine or widespread malnutrition,<sup>3</sup> the Middle East presently lacks the means to produce adequate food supplies due to water scarcity, insufficient arable land and man-made hurdles such as land and crop misallocations, inadequate investment in agriculture, poor stock management, and sub-optimal distribution networks.<sup>4</sup> “High food prices and international market volatility mean domestic agriculture has taken on strategic importance in all the food producing countries in the region.”<sup>5</sup>

*“Food security” here refers to the widely used and accepted conceptualization, which has four pillars: (1) physical availability of food; (2) economic and physical access to food to meet household-level needs; (3) food utilization practices that bring individual nutrition status to desired levels; and (4) stability of food availability, economic and physical access, and nutritional status over time. (See, for example, [An Introduction to the Basic Concepts of Food Security](#)).*

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At the national level, Middle Eastern countries have attempted to address food insecurity risks through food subsidies, export bans, price ceilings, and other policy measures.<sup>6</sup> Others, particularly Gulf Cooperation Council (“GCC”) states, have sought to bolster food security by acquiring farmland overseas.<sup>7</sup> Acquisitions of overseas farmland and land-use rights by Arab countries and other parties have not been without controversy.<sup>8</sup> The acquisition of agricultural land to produce food exclusively for the benefit of acquirer countries is legally and politically risky. It is not difficult to envision scenarios in which yields generated on overseas land would be wholly or partially expropriated, subjected to export bans, or otherwise intercepted, particularly in events of local or global food shortage and political or social unrest.

***“Other than the related issue of access to water, no single issue is more essential to the creation and long-term maintenance of regional stability and progress in the Middle East than is food security.”***

Think tanks and other organizations have called for the regulation of overseas investments in agricultural lands. The International Food Policy Research Institute has, for example, suggested that investors should refrain from exporting crop yields in the case of food shortage in a host country.<sup>9</sup>

Such concerns, and the political and legal risks associated with overseas land acquisitions, will likely increase over time, as global competition for food increases, exacerbated by demographic and environmental strains.<sup>10</sup>

The governments and companies that invest in agricultural lands overseas can, and likely have, put into place agreements to achieve optimal commercial and legal

themselves with recourse only to international tribunals and money damages, and without access to the very crop yields for which they

These acquisitions (and those by non-Arab countries and private parties) in the Sudan and other Nile Basin countries directly threaten

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***In worst-case scenarios, Arab governments and other investors in overseas agricultural land might find themselves with recourse only to international tribunals and money damages . . . Money damages would hardly be compensatory in cases of food security driven investments, as those are made not for profit, but for specific performance—i.e., the enforcement by host governments of investors’ rights to produce on agricultural lands and repatriate agricultural yields.***

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bargained. Money damages would hardly be compensatory in cases of food security-driven investments, as those are not made for profit, but for specific performance—e.g., the enforcement by host governments of investors’ rights to produce on agricultural lands and

Egypt’s “ability to put bread on the table because all of Egypt’s grain is either imported or produced with water from the Nile River, which flows north through Ethiopia and Sudan before reaching Egypt.”<sup>12</sup>

In addition to being flawed in a practical sense, these Nile-related land (and water) acquisitions present interesting legal questions, such as whether state parties to an agreement for the use of a common and vital resource like the Nile River may contract out access to the resource to third parties for profit, to the detriment of other state parties to the same agreement.

***“Beyond politics and market exposure, the Middle East, for the sake of its development, has a fundamental interest in creating conditions in which its inhabitants live in an environment conducive to progress in all spheres.”***

conditions. But under extraordinary circumstances, these agreements will be insufficient to overcome the very real risks stemming from political and social tensions that surround food, agricultural land, and the reality or perception of exploitation associated with overseas agricultural land investments.

In worst-case scenarios, Arab governments and other investors in overseas agricultural land might find

repatriate agricultural yields. More immediately, overseas land acquisitions by some Arab countries are detrimentally impacting the food (and water) security of other Arab countries. For example, Arab countries including Saudi Arabia, Qatar, Kuwait, and the United Arab Emirates, are believed to have acquired agricultural land or land use rights in the Sudan (prior to the establishment of South Sudan as an independent nation).<sup>11</sup>

## THE CASE FOR A REGIONAL FOOD SECURITY STRATEGY

**“There is no way around the reality that MENA [Middle East and North Africa] countries will need to buy a significant- and increasing- share of their food on international markets . . . the key is to manage this exposure in new and innovative ways to reduce the potential for food prices shocks without going bankrupt in the process.”**

-WORLD BANK, APRIL 2009<sup>13</sup>

The quoted statement describes key challenges of food insecurity in the Middle East. However, the gravity of the long-term food insecurity threat to the region requires much more than management of exposure to international markets. As the global food supply-demand imbalance widens over time, the difficulties and risks associated with food security will intensify for the Middle East unless effective coordinated action is taken now.

issue of access to water, no single issue is more essential to the creation and long-term maintenance of such conditions than is food security.

The GCC states, while comparatively cash rich, desperately lack the arable land, water and human resources, and depth of agricultural experience necessary to produce food sustainably and at appreciable levels.<sup>17</sup> By comparison, the relatively

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The political, social, cultural and historical ties that bind Middle Eastern countries favor the pursuit of a regional food security strategy, as do the geographic, demographic, and economic differences between them. As recent political uprisings have shown, major events in even one Arab country have the potential, if not the likelihood, to produce similar or follow-on events in others.<sup>14</sup> The consequences of food insecurity, if it intensifies in the region or any of its major countries, will have regional impact: whether in the form of economic migration, spillover social and political unrest, and/or the need for food and other aid from neighboring states.<sup>15</sup>

Beyond politics and market exposure, the Middle East, for the sake of its development, has a fundamental interest in creating conditions in which its inhabitants live in an environment conducive to progress in all spheres.<sup>16</sup> Other than the related

cash poor countries of the region, including Egypt, the Sudan, Algeria, Morocco, and the countries of the Levant, individually and together possess the agricultural land, climate conditions, human resources, and agricultural experience to produce food in appreciable quantities, and in any case at higher than present output levels.<sup>18</sup> But this latter group of countries has yet to realize its agricultural production potential for a number of reasons.

As a region, the Middle East has not explored its potential to sustainably bolster food security by marshaling its combined monetary, natural and human resources for the long-term benefit of its inhabitants. It is in the region's best interest to identify and pursue strategies to bolster food security, through increased regional production and other means, in ways that are not only economically, legally, and environmentally sustainable, but also are politically, socially, and ethically sound.

## NOTES

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<sup>1</sup>This article is excerpted from Hdeel Abdelhady, [Islamic Finance as a Mechanism for Bolstering Food Security in the Middle East: Food Security Waqf](#), published Winter 2013 in the Sustainable Development Law & Policy Journal (American University, Washington College of Law). An earlier version of that article was presented in December 2011 at the Eighth International Conference on Islamic Economics and Finance in Doha, Qatar. See the complete article for fuller discussion and citations.

<sup>2</sup>In this article, the Middle East includes the countries that are geographically situated in the Middle East and North Africa and are member states of the League of Arab States.

<sup>3</sup>Notably, however, that the region's malnutrition rates are strikingly high relative to its income levels. See, e.g., Ruslan Yemstov, *The Global Food Crisis: Global Perspectives and Impact on MENA, Fiscal and Poverty Impact*, WORLD BANK GROUP ("Yemstov"); Clemens Brisinger et al., *Economics of the Arab Awakening: From Revolution to Transformation and Food Security*, International Food Policy Research Institute (IFPRI) Policy Brief 18, May 2011 at 2 ("Brisinger").

<sup>4</sup>See Yemstov at 5.

<sup>5</sup>WORLD BANK GROUP, *AGRICULTURE & RURAL DEVELOPMENT IN MENA*, 1, (Sept. 2008).

<sup>6</sup>U.N. FOOD AND AGRICULTURE ORGANIZATION, *COUNTRY RESPONSES TO THE FOOD SECURITY CRISIS: NATURE AND PRELIMINARY IMPLICATIONS OF THE POLICIES PURSUED 27-28* (2009).

<sup>7</sup>*Id.* at 2.

<sup>9</sup>Claire Schaffnit-Chatterjee, *The Global Food Equation: Food Security in an Environment of Increasing Scarcity* 4, DEUTSCHE BANK RESEARCH, September 21, 2009, at 15.

<sup>10</sup>See Schaffnit-Chatterjee at 13.

<sup>11</sup>See, e.g., von Braun & Meinzen-Dick, *supra* note 21.

<sup>12</sup>Lester R. Brown, *When the Nile Runs Dry*, N.Y. TIMES, June 1, 2011, § A, at 29 (explaining that "[t]he Nile Waters Agreement, which Egypt and Sudan signed in 1959, gave Egypt seventy-five percent of the river's flow, Sudan twenty-five percent and none to Ethiopia. This situation is changing abruptly as wealthy foreign governments and international agribusinesses create land acquisition deals to for large swaths of arable land along the Upper Nile. Consequently, Egypt must deal with several governments and commercial interests that were not party to the 1959 agreement. However, Egypt too has acquired agricultural land and/or land-use rights in the Sudan. As for the Sudan, there is no publicly available evidence to suggest that the state or Sudanese farmers have realized appreciable net monetary, know-how, or other gains from foreign acquisitions or use of Sudanese land. The adverse consequences to some Arab countries illustrate the need for a coordinated regional food security strategy").

<sup>13</sup>THE WORLD BANK, *FOOD SECURITY IN THE MIDDLE EAST AND NORTH AFRICA*, INTERVIEW WITH JULIAN LAMPIETTI, LEAD RURAL DEVELOPMENT SECTOR, April 2009, *available at* <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/0,,contentMDK:22148641~pagePK:146736~piPK:146830~theSitePK:256299,00.html>.

<sup>14</sup>See Brisinger et al. at 1.

<sup>15</sup>Unmanageable (or ill managed) rises in food prices in countries like Egypt have long been a key cause of public disaffection. In the case of Egypt, progressively decreasing food purchasing power—a stark reminder to any consumer of economic hardship—contributed to the uprisings of January 2011. The adverse impacts of rising food prices and the reliance on government subsidies for basic food staples by the poor in Egypt was illustrated most tragically in 2008, when at least 11 people died while standing in line for government-subsidized bread. The level of frustration with government subsidies and food prices was powerfully described by an Egyptian man who said of the subsidized bread system (and unemployment) in Egypt: "This is a rotten system . . . I come here every day. I have no work, so this is my job. Waiting for bread." Cynthia Johnson, *In Egypt, long queues for bread that's almost free*, REUTERS, (Apr. 6, 2008), *available at* <http://www.reuters.com/article/2008/04/06/us-agflation-subsidies-idUSL0404033220080406>.

<sup>16</sup>GCC member states, which rely heavily on expatriate labor, have a clear interest in ensuring food affordability and balance of overall cost-of-living among expatriate residents, who, with the exception of Saudi Arabia, Oman, Bahrain, significantly outnumber, or in the case of Kuwait, are nearly equal in number to, native residents. Michael Strum & Nikolaus Siegfried, *Regional Monetary Integration in the Member States of the Gulf Cooperation Council*, EUROPEAN CENTRAL BANK OCCASIONAL PAPER SERIES No. 31, June 2005, at 20.

<sup>17</sup>von Braun & Meinzen-Dick.

<sup>18</sup>See Spieldoch & Murphy at 42.