



# Planning in the Wind: the Failed Jordanian Investments in Sudan

Justa Mayra Hopma

LDPI  
Working  
Paper

22

# Planning in the Wind<sup>1</sup>: the Failed Jordanian Investments in Sudan

By Justa Mayra Hopma

*Published by:*

**The Land Deal Politics Initiative**

[www.iss.nl/ldpi](http://www.iss.nl/ldpi)

[landpolitics@gmail.com](mailto:landpolitics@gmail.com)

*in collaboration with:*

**Institute for Development Studies (IDS)**

University of Sussex

Library Road

Brighton, BN1 9RE

United Kingdom

Tel: +44 1273 606261

Fax: +44 1273 621202

E-mail: [ids@ids.ac.uk](mailto:ids@ids.ac.uk)

Website: [www.ids.ac.uk](http://www.ids.ac.uk)

**Initiatives in Critical Agrarian Studies (ICAS)**

**International Institute of Social Studies (ISS)**

P.O. Box 29776

2502 LT The Hague

The Netherlands

Tel: +31 70 426 0664

Fax: +31 70 426 0799

E-mail: [iss.icas@gmail.com](mailto:iss.icas@gmail.com)

Website: [www.iss.nl/icas](http://www.iss.nl/icas)

**The Institute for Poverty, Land and Agrarian Studies (PLAAS)**

School of Government, Faculty of Economic and Management Sciences

University of the Western Cape, Private Bag X17

Bellville 7535, Cape Town

South Africa

Tel: +27 21 959 3733

Fax: +27 21 959 3732

E-mail: [plaas@uwc.ac.za](mailto:plaas@uwc.ac.za)

Website: [www.plaas.org.za](http://www.plaas.org.za)

**The Polson Institute for Global Development**

Department of Development Sociology

Cornell University

133 Warren Hall

Ithaca NY 14853

United States of America

Tel: +1 607 255-3163

Fax: +1 607 254-2896

E-mail: [ta12@cornell.edu](mailto:ta12@cornell.edu)

Website: [polson.cals.cornell.edu](http://polson.cals.cornell.edu)

© March 2013 All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without prior permission from the publisher and the author.

*Published with support from the UK Department for International Development (DfID), Atlantic Philanthropies, Inter-Church Organization for Development Cooperation (ICCO), Ford Foundation and Miserior.*

---

<sup>1</sup>These opening words refer to an expression used by employees of the Ministry of Agriculture in Jordan, referring to a mode of planning that is general and does not lead to concrete results. Ar. *khitta fee hauwa*, in Arabic see end paper.

## Abstract

This paper seeks to explain why the planned Jordanian investments in Sudan failed to materialise despite the relatively advanced stage of negotiations and planning. In doing so it provides an overview of the negotiation process as it developed since the two countries signed a 70-year agricultural protocol in 1999. As part of a political economy approach the position and material interests of key actors involved are presented. The paper argues that the oft-cited lack of capital as the reason why the investment failed is of limited explanatory value and shows that the process of planning investments is cyclical and convoluted.

**Keywords:** Jordan, agricultural investment, Sudan, elite interests, food politics

## About the Author

**Justa Mayra Hopma:** While completing an undergraduate degree in International Politics & Geography at the University of Wales, Aberystwyth I participated in an archaeological project in the Wadi Arabah, Jordan where I returned the next year to conduct fieldwork for my MPhil dissertation at the University of Oxford. At present I live in Amman where I combine my PhD research with an internship at the Dutch Embassy.

# Table of Contents

<b>1 Introduction.....</b>	<b>1</b>
<b>2 Jordanian Agricultural Investment in Sudan: An Overview of Events .....</b>	<b>1</b>
<b>3 The Political Economy of ‘Food Security’ in Jordan .....</b>	<b>5</b>
<b>3.1 State/Societal Relations in Jordan and ‘Food Security’ Policy .....</b>	<b>5</b>
<b>3.2 The Private/Food Industry Sector .....</b>	<b>5</b>
<b>3.3 The Political Ecology of Agriculture .....</b>	<b>6</b>
<b>4 Why Did Investments Fail: Financing Structure or Material Interests? .....</b>	<b>7</b>
<b>5 Conclusion .....</b>	<b>9</b>
<b>Bibliography .....</b>	<b>9</b>
<b>Interviews .....</b>	<b>11</b>

## 1 Introduction

Plenty of media headlines warn of Arab nations planning billions of dollars in investments in farmland overseas. These articles, however, often lack concrete details and are sometimes based upon secondary sources alone (Woertz and Verhoeven 2012). Accordingly, it has been shown that large controversial investment plans actually not always develop into concrete projects (see also White et al. 2012 and Smalley and Cordera 2012). In a reference to Sherlock Holmes, Ben White has likened such examples to 'dogs that do not bark' (White et al., 2012) because investments fail to materialize. Reports about such cases distort the available data on land acquisitions or 'land grabs' abroad. As such, they affect our understanding of the nature and scale of the development and it is therefore important that the precise details behind such cases are known.

Jordan too, arguably represents such a case, at least for the time being. As a resource-poor and import-dependent country the option to invest in foreign lands from which then to source foodstuffs is an attractive policy choice for Jordan. Alternative trade-based approaches to food security are vulnerable to changes in global food prices and this factor is particularly salient (more immediate) for countries without large fiscal surpluses derived from oil revenue. Increasing global food prices thus add to the appeal of outsourcing food production. Jordan developed relatively advanced plans to do so and it is curious that despite the support of the Ministry of Agriculture as well as representatives from the private business sector, the investments did not go ahead. Rather than stopping short at 'the dog that did not bark' story, this paper further examines the reasons behind the failure of the proposed Jordan-Sudan project.

This paper is divided into three sections and the remainder of this paper is structured as follows. First, a descriptive overview of events related to the planned Jordanian investments in Sudan is given. Second, following a political economy approach an overview of the actors, their ostensible material interests and their relationship to each other is given. The third section then synthesizes this information and explains how the interplay of a number of factors resulted in the shelving of the Jordanian-Sudanese agricultural investment plan. The paper is based upon a series of interviews with policy makers, government officials of the ministry of agriculture, vegetable producers and businessmen. The author undertook two field visits and also attended a number of agricultural meetings and conferences in Amman (Jordan), where the research took place between February and July 2012.

## 2 Jordanian Agricultural Investment in Sudan: An Overview of Events

According to the Jordan Times, the Sudan Tribune and various other electronic media outlets the Hashemite Kingdom of Jordan and the Republic of Sudan entered a 70-year agricultural protocol in 1998 (various articles in the *Jordan Times* 2008-10, *Sudan Tribune* 2008-09). The agreement gave Jordan the option to lease 268,000 dunums (26,800 ha) of land south of the city Ad-Damir, on the Mukabarab plain in the River Nile state (300km. north of Khartoum) and 88,000 dunums (8,800 ha) just south of Khartoum. Legally, these lands would be given the status of economic free zone, subject to Jordanian law (Interview 7, 4 July 2012). The total area amounted to 356km<sup>2</sup> of fertile lands in the Nile river area (AOAD 2003), roughly the same size as Jordan's own Jordan Valley area (Interview 12, 4 July 2012). Little is known about current land use practices and no such information was referred to in the newspaper articles. The Jordanian authorities planned to produce livestock, clover, garlic, bananas and mangos (*Jordan Times*, December 20, 2009) and assessed the feasibility of cattle fattening programmes.

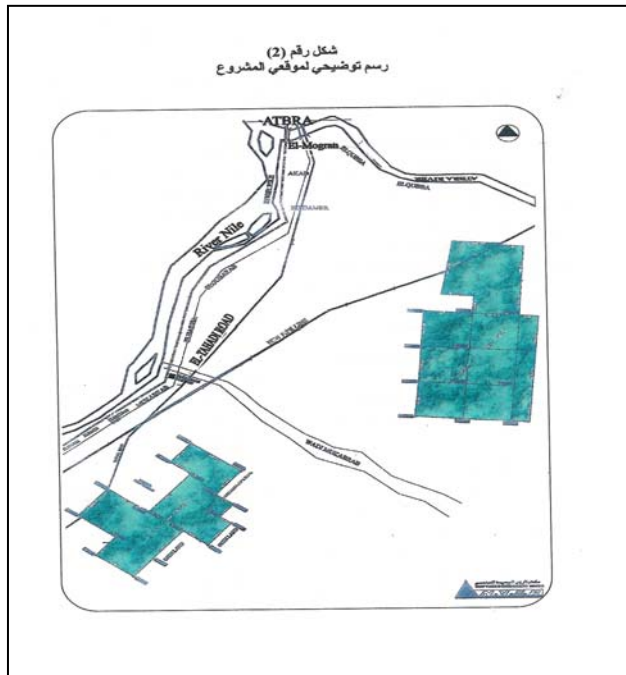


Figure 1 Site locations on Al-Makabrab plain between the Nile and Atbara Rivers

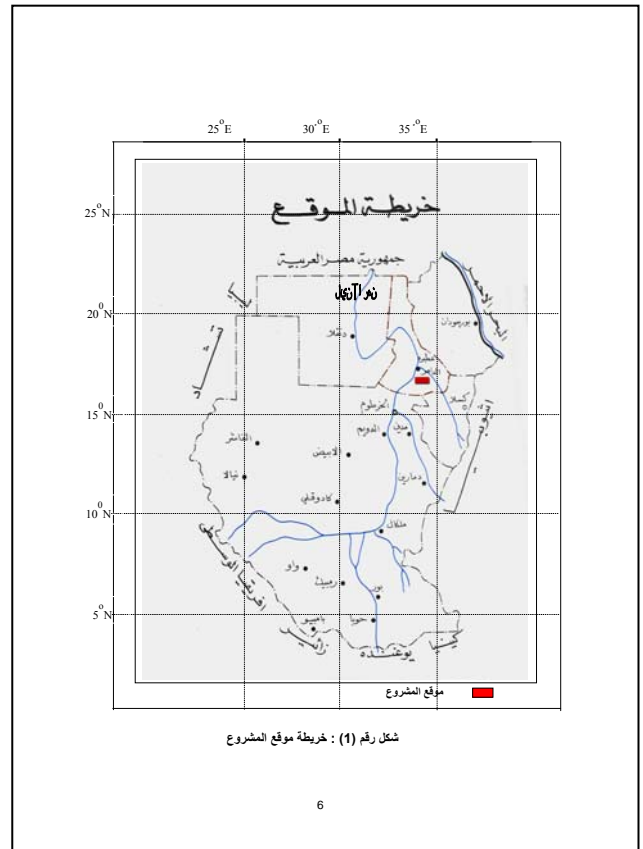


Figure 2 Project location in Sudan, rectangle in 15'N – 30'E quadrant

Throughout 2008 and 2009 the various stages of implementation of the Sudan-Jordan project were reported upon in the aforementioned newspapers. In 2008, then prime minister Nader Dahabi announced that Jordan would cultivate land in Sudan and that the Jordanian government would provide facilities, including infrastructure to convey water from the Nile, to the location of the project (*Jordan Times*, 8 June 2009). Moreover, the Jordanian government conducted feasibility studies in 2003 and 2009. The studies were undertaken in cooperation with the regional Arab Organization for Agricultural Development (AOAD) and funded by the Islamic Development Bank (AOAD 2003). In terms of financial feasibility, the report stressed the importance of planting the right kind of seeds for local soil. Should appropriate seeds be chosen, seed quality could be improved in the process of growing crops. This in turn would positively affect the financial viability of the project (AOAD 2003).

Sudan is a resource-rich country; most of the Nile's basin falls within Sudanese territory and it possesses key mineral resources and oil (Verhoeven 2012). In terms of Jordanian-Sudanese investment, there are three further strong points: Firstly, the relative proximity of both countries; airfreight takes two-and-a-half hours and sea transport from Port Sudan to Aqaba ten days (Jordan Investment Board 2012). Such time frames are suitable for the bulk transport of fruits, vegetables, livestock and other goods requiring less speedy transport. In terms of products, Sudanese meat is popular in Jordan because of its good quality and price compared to other imported meats. In addition to the appeal of the products and the relative geographic proximity, the government of Sudan offered lucrative terms to potential foreign business partners so as to make investment even more attractive. Custom duties were dropped and freedom of capital movements and money transfers was offered. Sudan further allowed all end products to be exported (or they may be

marketed locally) and company owners were free to employ Jordanian nationals (*Sudan Tribune*, April 11 2009; interview 7, 4 July 2012).

From the Sudanese perspective, Jordanian investments are about bringing capital, technology and know-how to the country (Interview 7, 4 July 2012). Lacking domestic capacity, foreign investment is seen as an efficient way to do so. For Sudan, it is easier, and perhaps preferable, to do business with Arab countries. The Sudanese ambassador to Jordan, for example, mentioned the good relationship between both countries: “As Islamic countries, we have a lot in common and our Ministry of Investment provides all needed support services. Despite the long-term inaction on the Jordanian side, we remain open to Jordanian investments” (Interview 7, 4 July 2012). In addition to the ‘Islamic connection’, it was further pointed out that for a small country with limited means, Jordan is doing relatively well. It has a high standard of technological knowledge and compares favourably to Saudi Arabia in this respect, although it lacks the financial resources that Saudi Arabia has (Interview 7, 4<sup>th</sup> of July 2012). This point sheds light on the kinds of comparative advantages of the different countries in the Arab world with regards to labour, capital, technology and natural resources.

In terms of governance, a public-private governance structure was formulated for this specific project. The investment would be managed by a holding company comprised of four existing Jordanian businesses. Although the consortium would be registered as a private business, the quantities and types of products to be sourced from Sudan remained at the discretion of the Jordanian government (*Jordan Times*, 13 July 2008). These particular public-private structures are relatively common in Jordan and allow for a large degree of flexibility for Jordan in terms of production, but also in terms of management. On the one hand, the undertaking can function as a private business but on the other, it can be completely managed by the government, should it decide to do so.

In the feasibility studies by the AOAD and the Jordanian government, it was suggested that the government would pay for the initial infrastructural investments: electricity supply and the supply of water from the Nile to farms. For each plot, the government would have to provide these two basic facilities. Costs amounted to ~USD\$110 million. This soon became a point of contention between the Ministry of Agriculture and the Jordanian government (Interview 11, 21 July 2012). The financial plan envisioned that the private sector investors would pay this sum back in instalments over a period of 5 – 10 years. This way the project would be economically feasible for both the government and the private sector (Issam Hijazi in *Jordan Times*, 8 June 2009). Despite being able to earn back their investment, the Jordanian government did not agree to this set-up (Interview 11, 21 July 2012).

According to the then sitting Minister of Agriculture, Eng. Said Masri, the failure to commit to the investment plans prior to the deterioration of the economic climate in 2009 was a major short-coming of the government. From his perspective, a Jordanian-Sudanese project would have the potential to make a positive contribution to the country’s food security. “This project is vital for the Kingdom’s economy as it will contribute to a large extent to achieving the country’s food stability, particularly addressing its need for grains and animal feed” (Said Masri, *Jordan Times*, 8 June 2009). In a personal interview he added, “when I reviewed the agreement in 1999, I actually found out that this agreement is more advanced than current Jordanian and Sudanese policy by at least 15 years. It contains a vision that allows Arab countries to think of their food basket collectively” (Interview 11, 21 July 2012). He concluded that, given the way the plan had developed, it simply was ahead of its time. Abdullah Shishani, director of the Ministry of Private sector affairs, also stated: “It is not a matter of investment anymore. The country’s food security is at stake here” (Shishani, *Jordan Times* 8 July 2012). The view that investment in Sudan would contribute to Jordan’s food security was very much present within the Ministry of Agriculture. Government officials outside the Ministry of

Agriculture, however, seemed to consider the project from the vantage point of costs and revenue, not from a broader perspective taking national food security as an objective.

In 2008, with the Sudanese government's deadline approaching, the project was given new life. A four-day self-initiated field visit to Sudan took place in August and an extended version of the feasibility study of 2003 was being prepared. Another field visit took place in April 2009 (*Sudan Tribune*, 11 April 2009). An extension of the deadline seemed to have been negotiated and talks about the financing structure took place in the second quarter of 2009. Progress developed with difficulty and the first funding structure for the project was rejected. In this set-up, the government would pay for the initial investments in electricity and water provision to the plots, and investors would pay the sum back in installments. The alternative mechanism of financing proposed that, instead of the government, private investors would pay for the infrastructure themselves. The government, however, would provide collateral for up to ten years in cooperation with the Bank of Jordan (Interview 11, 21 July 2012). The private sector agreed to this set-up, but a final confirmation from the finance minister was still needed.

While the negotiation process was underway during the first half of 2009, the global investment climate was not in good shape. The effects of the financial crisis of 2008 had not yet subsided and the investment climate remained relatively insecure (ODI 2009). During a meeting of the Jordan-Sudan High Committee in the third quarter of 2009, Finance Minister Basem Al Salem argued that the government could not provide the collateral needed for this type of investment. In the final meeting of the Committee, and not having been provided with any form of support or financial security previously, the private sector decided to withdraw from the project before the actual final negotiation had started. They based their decision on the less than desirable investment climate, continued low prices for agricultural products and a fear of recession (Interview 11, 21 July 2012). In November of the previous year, however, the Chief Executive Officer of the Hijazi and Ghoshe Group, asserted that low international prices were not a problem: "The change in prices of cereals and animal feed products is undeniably significant. Therefore we need to take this into consideration when negotiating with the government, however, [we are] keen to implement the project despite the drop in the international prices of agricultural products" (Issam Hijazi in the *Jordan Times*, 20 November 2009). This statement was reversed before the final negotiations took place and it appeared that commitment to the project, on both the account of the government and the private sector, was insufficient.

Accordingly, in September 2010, only months after having asserted the contrary, the *Jordan Times* reported that the Sudan-Jordan project was no longer feasible despite the full backing of the Minister of Agriculture and initially the private sector. The cited reason for the project's failure was a lack of interest from the private sector, even though strictly speaking, this is not entirely correct. Interest did exist, but the absence of financial backing in a context of deteriorating economic circumstances affected the decision-making process. After it had become clear that the Jordanian government would not be supporting the project financially, external sources of funding were looked at and an agricultural financing company based in the Arab Gulf showed interest (*Eritrea Capital*, 20 December 2010), but these plans did not materialise either.

The information presented above is different from the standard narrative about Arab land grabs in east Africa, which maintains that resource-poor countries rushed to invest after the food crisis of 2008. This account shows that negotiations to invest in Sudanese land started as early as 1997 and that the opportunity to invest was not 'rushed at'. Rather, it was severely delayed, taken up by one government, dropped, taken up again by the next government, dropped again, and finally taken up and dropped again independently by a private sector actor. The following section seeks to shed light upon this complex process by taking a political economy approach.



### 3 The Political Economy of 'Food Security' in Jordan

Political economy approaches explain economic transformations in terms of power and interest. Adopting such lenses helps to explain the lack of implementation of the Jordanian investment plans in Sudan. In order to arrive at this explanation, a closer look at the actors and institutions involved in the plans is taken below. The following section provides an overview of the key actors, their main characteristics and their relationship to each other. Section four analyses their ostensible material interests while section five synthesizes the presented information and arrives at an explanation as to why the investment plans did not materialise.

#### 3.1 State/Societal Relations in Jordan and 'Food Security' Policy

The Jordanian government can be characterised by the rapid pace with which prime ministers and cabinets are replaced. Parliament (120 seats) is elected, while the king directly appoints Senate members (60 seats). In response to political unrest or challenges, the Prime Minister often resigns or is sent home. Since 2011, Jordan has seen four changes of prime minister and ten change-overs since October 2004 (European Forum for Democracy and Solidarity 2013). With reference to its geography and natural resources, Jordan is mostly described as a dry and resource-poor country. Politically, and despite the rapid turnover of office-holders, it is characterised as a beacon of stability in an otherwise turbulent Middle East. In terms of social make-up Jordan can be described as a tribal society (Layne 1994). Tribalism has many meanings and connotations, which are explored in-depth in the anthropological literature,<sup>2</sup> but here it suffices to state that Jordan's tribal legacy is very much alive. Surnames and tribal affiliations matter socially and politically, although the context in which traditions can be summoned is changing (Interview 6, July 3 2012). This dynamic of change is experienced in society at large, including the agricultural sector, which impacts the way it is regulated.

While the state has an interest in food security as a policy area, no comprehensive policy programme exists. This can be explained in part with reference to the short-term office that ministers hold (see above), but also due to the role that external funding agencies play. The Jordanian food security programme that was in place prior to when it was given the label 'food security' focused on relief for the poor. A number of projects were already running with the objective to relieve hunger. For example, a programme to eradicate extreme poverty and hunger existed under the framework of the Millennium Development Goals (Millennium Goals, Second National Report 2010). When the food security programme was introduced, however, pre-existing projects that addressed 'food security' but were not called such, were sidelined and it was the aim to set up an entirely new food security programme (Interview 14, 27 August 2012). This is an example of how food security initiatives in Jordan were, at this time, disconnected from each other and did not form part of a comprehensive policy rationale. In the absence of an overarching policy programme, the role and motivation of individuals is significant when it concerns the introduction of large-scale programmes addressing food security.

#### 3.2 The Private/Food Industry Sector

The agricultural protocol was signed between two national governments, but it was made clear from the start that the conditions the Sudanese government offered to the Jordanian government would apply to all willing to invest. This demonstrates the 'openness' to investment on the account of Sudan, but also the fluidity of the boundary between 'state' and 'private' investments. Throughout

---

<sup>2</sup>See for example Cole 2003, Layne 1994 and Alon 2007. The latter two works focus on the specific Jordanian context.

the reporting on the agreement the fact that the terms of investment were open to private investors, company or individual, was often reiterated in order to attract more potential investors.

One of the key stakeholders in the investment process was the Hijazi and Ghoshe group. The company predominantly imports frozen meat and fish, but also livestock. It supplies Jordanian supermarkets and exports to the region (Hijazi and Ghoshe Group 2013). Barakata also is a food trading company based in Amman. Two further un-named companies signed an independent agreement with the Sudanese government (*Jordan Times*, 30 November 2008). It is unclear whether Barakat and the Hijazi Group were these companies (*Jordan Times*, 30 November 2008).

Prior to the negotiations of 2008-2009 and before the agricultural protocol was signed in 1998, at least two Jordanian companies were engaged in trading in Sudan. Their experiences are significant in that their activities exemplified and communicated the possibilities to the Jordanian business sector. It in particular highlighted the possibilities of exporting to third markets, which were neither Sudanese nor Jordanian (Interview 10, 10 July 2012; Interview 11, 21 July 2012). Further, the experiences of producing and trading in Sudan are significant because at least one businessman involved later served in an influential position at the time the government was involved in the negotiations about investment in Sudan.

From 1986 until the late 1990s Hadadin farms produced melons in Sudan in Um Dom (Eastern Bank of Blue Nile near Khartoum). They produced at Um Dom for nine years and employed local workers. The business was successful until a Brazilian company took over Hadadin Farms' European market share (Interview 10, July 10 2012). In addition, Jorico Company supplied so-called ethnic markets in Great Britain. Certain types of exotic fruits and root vegetables cannot be produced in the Jordan Valley during winter. By extending production to Sudan, it was envisioned that fruits and vegetables could be supplied all year round, which from a market perspective is instrumental in maintaining a firm grip on one's customer base. Such continuous production represents an important opportunity to those involved in the Jordanian fruit and vegetable sector. The experience of having produced in Sudan, which enabled the penetration of significant European markets, is important in that it provided the business elite with knowledge of the possibilities in Sudan. This particular point is further explained in the section below.

### 3.3 The Political Ecology of Agriculture

The agricultural sector in Jordan is marginalised and plagued by a variety of problems. In general, agricultural potential in Jordan is limited by the lack of available arable land. This is both due to aridity (IFAD 2007) but also because most arable land has been encroached upon by urbanisation. This is particularly true for the lands around Irbid, in the north of Jordan (Interviews 3, 4, 8, 10 and 11). As a result of disinvestment in the sector and the impact of IMF and World Bank austerity packages which reduced state expenditure, agricultural production as a whole has been on a steady decline since the 1960s (Wilson and Bruins 2005; Harrigan et al., 2006). At present, the sector reportedly contributes to around 3.5% of the GDP (*Jordan Vision 2020*, 2006). Yet, it consumes around 70% of the water budget. The figures concerning both the productivity of the sector and water consumption are contested, however (Interview 5; Interview 12; JEPAC conference 2012).

*"These figures ... stating that the agricultural sector only contributes about 2.5% to the GDP are based upon calculations of value measured at the farmer's doorstep. If you look at the sector's impact on transport, packaging, services and other sectors, the proper contribution would lie around 15%".*

Interview 5, 20 May 2012

Furthermore, according to one official at the Ministry of Agriculture, the impression of disproportionate use of water by the agricultural sector is exaggerated. Water that could not be used for other purposes is included in the total water budget nevertheless, *as if* it could be used by other sectors, e.g. tourism or residential, whereas in reality it cannot be used elsewhere. As a result, and because of the importance that is attributed to water usage in the international aid and NGO circles, the agricultural sector assigned a marginal role in visions of the future Jordanian economy (*Jordan Vision 2020*, 2006). This document, which can be taken as exemplary of where the government and private sector see Jordan going for the next decade, does not identify agriculture as a 'growth sector', as opposed to the pharmaceutical, IT, tourism and education sectors. The relative neglect of the agricultural sector in terms of investment has been a clear global trend, until around 2009 when the food price shock re-directed attention to the agricultural sector (ODI 2009).

The marginal position of the agricultural sector and the perception of being sidelined as a sector was frequently communicated in interviews. The lack of significance and prestige attributed to the agricultural sector within the government at large and in comparison to other sectors, such as tourism, in official publications is often received with indignation. Why do stringent water regulations not apply in equal strength to the tourism sector? Moreover, why should large amounts of water be directed to the tourism sector at all, if it predominantly benefits Western tourists and the Jordanian upper classes? In contrast, the agricultural sector is seen as providing essential services and promoting the productivity of related sectors, e.g. transport and packaging, while providing a livelihood to the poorest sections of the Jordanian population – a segment that often has limited alternative possibilities. Although the sector does provide a livelihood for Jordan's rural population, it is important to bear in mind the vast differences between small holders and advanced agriculturalists, the so-called *big whales* (al-haytaan al-kabeera). In any case, the government insufficiently acknowledges this, according to those involved in agriculture.

The socio-cultural 'profile' of the agricultural sector is significant in that it explains why the Ministry of Agriculture perceives few avenues for expansion or growth domestically and hence maintains an interest in expanding abroad. Regulations are strict and state support is non-existent. For this reason, the option of investing in Sudan is attractive. It is thus clear that a 'food security' policy revolving around a decision to go abroad is not brought about solely based upon a material resources rationale. The availability of water and grassland in Sudan are crucial, but the socio-cultural position of the agricultural sector domestically is a vital driving factor as well. This point is further demonstrated in section two of the main summary report of the feasibility study, where the potential for the employment of agricultural expertise and the potential for generating additional related economic activities is highlighted (AOAD 2003).

#### 4 Why Did Investments Fail: Financing Structure or Material Interests?

The process preceding the official negotiations in 2009 about investment in Sudan was a long, convoluted and cyclical process rather than a straightforward rush for land. The initial agricultural protocol was signed in 1998, a decade before the food price crisis. Talks had begun in 1997 (AOAD 2003). This paper maintains that the prior experiences of the business elite played a key role in the push for investment. This business rationale, however, coincided with a renewed interest in 'food security' in the international arena. By subscribing to the language of 'food security', it arguably was hoped that increased resonance could be found with the Jordanian government at large. The strategy, however, did not succeed because of the absence of a comprehensive food security policy at the government level.

### *Financing Structure or Internal Politics?*

Ostensibly, the deal failed because of a lack of financial support. This explanation, however, is insufficient. The costs of the initial infrastructure, covering connections to the electricity grid and the infrastructure of drawing water from the Nile, amounted to \$115million (Interview 11, 21 July 2012). The idea was for the government to invest and the private sector to pay rent over the productive land. This set-up reportedly was economically feasible for both parties and would enable the government to earn back their investment within ten years (*Jordan Times* 8 June 2012, Interview 11, 21 July 2012). However, the state was not prepared and arguably not in a position to invest such an amount of money as Jordan perennially runs budget deficits (Sharp 2012). The alternative financing structure, however, in which private businesses would invest and the state would provide collateral was to be negotiated. Prior to the start of the negotiations, however, the private sector withdrew from the project. Newspaper articles then stated that the deal had failed to materialise because of a lack of private sector interest. As the above sequence of events shows, this is not strictly accurate. A number of private sector actors, including the Barakat company and the Hijazi and Ghoshe Group, had been interested from the start. Moreover, they had indicated the seriousness of their interest irrespective of international price levels (see above). It seems, however, that maintaining such a firm interest when met by an unsupportive state is difficult. Other factors, such as the impact market diversification would have on domestic actors, may have been of significance. Further, production in Sudan would have brought significant changes to the domestic market structure. Increased supplies of affordable meat would increase the competition domestically and significantly affect the market position of already struggling domestic producers. Their reduced competitiveness and ability to eke out a living has political consequences. The following section illustrates this dynamic with reference to dissatisfaction in the poultry sector in Jordan.

Jordan is a relatively 'open' economy (World Bank 2013) but also highly dependent on food imports (Jordan News Agency 2010). Domestic agricultural production is difficult because of high input prices, but this is not the case for all areas of production. The Jordanian government, however, favours an open market policy that leads domestic producers to struggle (Jordan News Agency 2010; *Jordan Times*, 27 June 2012). In 2010, the president of the Foodstuffs Traders Association, Khalil Tawfiq, challenged government policy and stated that, "Food security cannot come from imports only ... it is unacceptable to import more than 85 percent of our food" (Jordan News Agency 2010). In 2012, dozens of poultry breeders organised a sit-in at the Ministry of Agriculture, urging officials to reverse the decision to allow egg imports since the country is self-sufficient in egg production and the poultry sector provides a living to hundreds of families in rural areas (*Jordan News Agency* 2010; *Jordan Times*, 27 June 2012). These events illustrate the tensions that exist between government policy and the interests of the domestic productive sector. While market diversification might promote a form of 'food security' that is concerned with continuous access to affordable food, it runs counter to notions of 'food security' more focused on maintaining at least a minimal degree of self-sufficiency. While self-sufficiency in food provision is often readily dismissed as an unrealistic goal, this debate has not been concluded in Jordan (*Jordan News Agency* 2010).

In this context, the contradictory objectives of 'food security' through extending the range of sources of imports vs. enabling a degree of 'food sovereignty' through support for domestic production in certain sectors, can be explained as signaling a crisis in Jordanian food policy-making. The Jordanian government maintains an interest in keeping prices low for its largely urban population based in Amman, yet it also maintains an interest in providing the already dissatisfied rural population with an income and upholding the vital political ties with these groups. It seems that, in certain productive sectors 'food security' in terms of securing and maintaining a supply is easily achieved. As such, 'food security' *per se* is not an issue in these sectors. It is the *kind* of access to food supplies that the Jordanian government will choose to provide that will be of far-reaching

impact with reference to the domestic economy. With regards to the investment plans in Sudan, the political consequences of broadening the range of sources from which to import foodstuffs, its attendant effects on the domestic market and its political ramifications, are of significant political importance.

## 5 Conclusion

This article has sought to shed light on why the proposed agricultural investments in Sudan planned by Jordan failed, despite the relatively advanced stage of negotiations and planning. To do so it provided a descriptive overview of the most important events within this process. It then sought to go beyond this presentation through an analysis of the different positions and interests of the various actors involved in this process. It recognises elite experiences and interests as a key driver in this process. However, it is important to point out the limitations of a 'good guy / bad guy' story. Ironically, the plans to invest abroad can be seen as part of a more assertive, and necessary, move in which Jordanian 'food security' as a political issue and long-term objective is taken seriously. The deplorable factor is that this call for attention, stemming from and reflecting decades of neglect of the agricultural sector, manifested itself predominantly in a push for investment in agriculture abroad, without a broader range of options available to Jordan being explored.

**Note:** khitta fee hauwa, khitta al fadhi – 'planning in the wind' – Ar. slang

خطه على الفاضي (عامية)

## Bibliography

1. Abu-Sharar, T.M. (2006) "The Challenges of Land and Water Resources Degradation in Jordan: Diagnosis and Solutions." In *Desertification in the Mediterranean Region: a Security Issue*, edited by Jose L. Rubio W.G. Kepner, pp. 201–226. Amman.
2. Alon, Y. (2007) *The Making of Jordan: Tribes, Colonialism, and the Modern State*, London: IB Taurus.
3. AOAD, Arab Organisation for Agricultural Development. (2003) "Study of the Technical and Economic Feasibility of the Jordanian Agricultural Investment Project in the Al-Mukabaraab Plain - Republic of Sudan." <http://www.aoad.org/activity3.htm>. Obtained from Ministry of Agriculture (MOA), Amman.
4. Azzeh, Leila. (2009) "Jordan's National Food Security Company to Import Sudanese Sheep." *Jordan Times*. <http://www.menafn.com/menafn/1093287827/Jordans-national-food-security-company-to-import-Sudanese-sheep>.
5. Bruins, J.P. Wilson and H.J. (2005). "Food Security in the Middle East Since 1961" <http://ressources.ciheam.org/om/pdf/a65/05002195.pdf>.
6. Cole, D.P. (2003) "Where Have the Bedouin Gone?" *Anthropological Quarterly* 76: 235–267.
7. EFDS, European Forum for Democracy and Stability. (2013) "Jordan." *Country Updates*. <http://www.europeanforum.net/country/jordan>.
8. "Foodstuff Traders Association Warns Against Raising Prices'." (2012) *Jordan Times*, May 15.
9. Harrigan, J., and H. El-Said. (2009) *Aid and Power in the Arab World: World Bank and IMF Policy-based Lending in the Middle East and North Africa*. New York: Palgrave.
10. Hazaimah, Hani. 30. "Agricultural Investment in Sudan to Resume Early (2009)" *Jordan Times*  
 ——— (2008) "Private Company to Run Sudan Venture." *Jordan Times*  
 ——— (2010) "Sudan, Spanish Agricultural Projects Shelved." *Jordan Times*

- . (2009) “Draft Agreement on Sudan Project Nearing Completion.” *Jordan Times*, June 8.
11. Hijazi and Ghoshe Group HGG. “Hijazi and Ghoshe Company Profile.” [http://hgg.com.jo/index.php?option=com\\_content&view=article&id=47&Itemid=54&lang=en](http://hgg.com.jo/index.php?option=com_content&view=article&id=47&Itemid=54&lang=en).
  12. IFAD. 1. “Report and Recommendation of the President to the Executive Board on a Proposed Financial Assistance to the Hashemite Kingdom of Jordan for the Agricultural Resource Management Project - Phase II”. Rome: International Fund for Agricultural Development.
  13. JEPAC Conference. 6. “3rd Jordanian Exporters and Producers Association Agricultural Conference.” In .
  14. JIB, Jordan Investment Board. (2012) *Sea Transportation Costs and Transit Times*. <http://www.jordaninvestment.com/DataStats/IIS/InfrastructureNaturalResources/tabid/288/language/en-US/Default.aspx?SkinSrc=%5B%5Dskins/jiben/PDFSkin> .
  15. JNA, Jordan News Agency. 31. “Jordan Food Imports Climb to Nearly JD2b in 2009”. Online newspaper. <http://www.zawya.com/story/ZAWYA20100201042824/> .
  16. “Jordan Finalises Feasibility Study to Invest in Sudanese Agricultural Land.” 20. *Capital Eritrea News*. <http://www.capitaleritrea.com/jordan-finalises-feasibility-study-to-invest-in-sudanese-agricultural-land/> .
  17. “Jordan Food Imports Climb to Nearly JD2b in 2009’.” 31. *Zawiya*,. <http://www.zawya.com/story/ZAWYA20100201042824/> .
  18. “Jordan PM Expands Subsidy Program’.” (2011) *Al Shorfa*. [http://al-shorfa.com/en\\_GB/articles/meii/newsbriefs/2011/01/21/newsbrief-01](http://al-shorfa.com/en_GB/articles/meii/newsbriefs/2011/01/21/newsbrief-01) .
  19. “Jordan to Move Forward on Agricultural Investments in Sudan’.” (2009) *Sudan Tribune*, April 11.
  20. “Jordan Vision 2020”, (2006) Amman: US-AID AMIR program. Un-authored report. Hard copy obtained from Jordanian Exporters and Producers Association.
  21. Layne, L.L., (1994) *Home and Homeland: The Dialogics of Tribal and National Identities in Jordan*. Princeton: Princeton University Press.
  22. Obeidat, O. 2012a. “‘Record High’ Meat Prices Fuel Boycott Call.” *Jordan Times*, May 9.  
———. 2012b. “Consumers Urge Government to Seek Other Options to Price Hikes.” *Jordan Times*, May 15.
  23. Omari, R. (2012) “Living Costs, Local Development Top Concerns in Open Session.” *Jordan Times*, May 9.
  24. Sharp, J. M. (2012) “Jordan: Background and U.S. Relations.” Congressional Research Service Reports on the Middle East and the Arab World. Washington D.C.: Congressional Research Service. <http://www.fas.org/sgp/crs/mideast/> .
  25. Smalley, R., and Corbera, E. (2012) “Large-scale Land Deals from the Inside Out: Findings from Kenya’s Tana Delta.” *Journal of Peasant Studies* 39: 1039–1075.
  26. United Nations. (2011) “Millennium Development Goals Report.” <http://www.unhcr.org/refworld/docid/4e42118b2.html> [accessed 15 March 2013].
  27. Verhoeven, H. (2011) “Black Gold for Blue Gold?: Sudan’s Oil, Ethiopia’s Water and Regional Integration.”
  28. White, B., Borrás Jr, S.M., Hall, R., Scoones, I. and Wolford, W. (2012) “The New Enclosures: Critical Perspectives on Corporate Land Deals.” *Journal of Peasant Studies* 39: 619–647.
  29. Wiggins, S., Keats, S. and Vigneri, M. (2009) *Impact of the Global Financial and Economic Situation on Agricultural Markets and Food Security*. Working Paper 314. Overseas Development Institute (ODI).
  30. Wilson, H.J. and Bruins. (2005). “Food Security in the Middle East Since (1961)” In *Food Security Under Water Scarcity in the Middle East: Problems and Solutions*, edited by International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), 49–56. Bari: Options Méditerranéennes: Série A. Séminaires Méditerranéens.

## Interviews

Interview 1, 15 February 2012, Amman  
Interview 2, 13 March 2012, Amman  
Interview 3, 12 May 2012, Amman  
Interview 4, 18 May, Amman  
Interview 5, 20 May 2012, Amman  
Interview 6, 3 July 2012, Amman  
Interview 7, 4 July 2012, Amman  
Interview 8, 8 July 2012, Amman  
Interview 9, 8 July 2012, Amman  
Interview 10, 10 July 2012, Amman  
Interview 11, 21 July 2012, Amman  
Interview 12, 26 July 2012, Amman  
Interview 13, 30 July 2012, Amman  
Interview 14, 27 August 2012, Amman





## LDPI Working Paper Series

A convergence of factors has been driving a revaluation of land by powerful economic and political actors. This is occurring across the world, but especially in the global South. As a result, we see unfolding worldwide a dramatic rise in the extent of cross-border, transnational corporation-driven and, in some cases, foreign government-driven, large-scale land deals. The phrase 'global land grab' has become a catch-all phrase to describe this explosion of (trans)national commercial land transactions revolving around the production and sale of food and biofuels, conservation and mining activities.

The Land Deal Politics Initiative launched in 2010 as an 'engaged research' initiative, taking the side of the rural poor, but based on solid evidence and detailed, field-based research. The LDPI promotes in-depth and systematic enquiry to inform deeper, meaningful and productive debates about the global trends and local manifestations. The LDPI aims for a broad framework encompassing the political economy, political ecology and political sociology of land deals centred on food, biofuels, minerals and conservation. Working within the broad analytical lenses of these three fields, the LDPI uses as a general framework the four key questions in agrarian political economy: (i) who owns what? (ii) who does what? (iii) who gets what? and (iv) what do they do with the surplus wealth created? Two additional key questions highlight political dynamics between groups and social classes: 'what do they do to each other?', and 'how do changes in politics get shaped by dynamic ecologies, and vice versa?' The LDPI network explores a range of big picture questions through detailed in-depth case studies in several sites globally, focusing on the politics of land deals.

### Planning in the Wind: the Failed Jordanian Investments in Sudan

This paper seeks to explain why the planned Jordanian investments in Sudan failed to materialise despite the relatively advanced stage of negotiations and planning. In doing so it provides an overview of the negotiation process as it developed since the two countries signed a 70-year agricultural protocol in 1999. As part of a political economy approach the position and material interests of key actors involved are presented. The paper argues that the oft-cited lack of capital as the reason why the investment failed is of limited explanatory value and shows that the process of planning investments is cyclical and convoluted.



landpolitics@gmail.com

www.iss.nl/ldpi