

Amid mounting food crisis, governments fear revolution of the hungry

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Last week's meetings in Washington of the International Monetary Fund, the World Bank and the Group of Seven were convened in the shadow of the worst financial crisis since the Great Depression of the 1930s. While Wall Street's turmoil and the deepening credit crunch dominated discussions, leaders of the global financial institutions were forced to take note of the growing global food emergency, warning of the threat of widespread hunger and already emerging political instability.

The seven major capitalist powers in the G-7—the US, Japan, Germany, Britain, France, Italy and Canada—made virtually no mention of the global food crisis, referring in only one brief reference to the risk of “high oil and commodity prices.” Instead, they focused on the stability of the financial markets, promising measures to shore up investor confidence.

The IMF and World Bank, however, felt compelled to acknowledge the emerging worldwide catastrophe, in part because while these agencies are instruments of the main imperialist powers, they must posture as responsive to the needs of all countries. It would be too revealing for them to focus exclusively on the fate of major finance houses, while ignoring the fact that hundreds of millions across the planet are being threatened with starvation.

More decisive, however, is the realization that this crisis confronting the most impoverished countries and poorest sections of the world's population is threatening to unleash a revolution of the hungry that could topple governments across large parts of the world.

Even as the IMF and World Bank were meeting, the government of Haiti was forced out in a no-confidence vote passed in response to several days of demonstrations and protests against rising food prices and hunger that swept all the country's major cities. Clashes between protesters and United Nations occupation troops left at least five people dead and scores wounded and saw crowds attempt to storm the presidential palace.

Food prices in Haiti had risen on average by 40 percent in less than a year, with the cost of staples such as rice doubling.

The same essential story has been repeated in country after country, from Africa to the Middle East, south Asia and Latin America.

* In Bangladesh, on Saturday, some 20,000 textile workers took to the streets to denounce soaring food prices and demand higher wages. The price of rice in the country has doubled over the past year, threatening the workers, who earn a monthly salary of just \$25, with hunger. Scores were injured in clashes with police, who used gunfire in an attempt to disperse the crowds.

* In Egypt, protests by workers over food prices rocked the textile center of Mahalla al-Kobra, north of Cairo, for two days last week, with two people shot dead by security forces. Hundreds were arrested, and the government sent plainclothes police into the factories to force workers to work. Food prices in Egypt have risen by 40 percent in the past year.

* Unions and shopkeepers staged a two-day general strike in the West African nation of Burkina Faso last week to protest high prices. The strikers demanded a “significant and effective” cut in the price of rice and other staples.

* Several hundred demonstrators marched on parliament in Phnom Penh, Cambodia April 6 to protest food price hikes. The cost of a kilogram of rice has risen to \$1 in a country where the average income is barely 50 cents a day. Police armed with cattle prods broke up the protest.

* Earlier this month, in the Ivory Coast, thousands marched on the home of President Laurent Gbagbo, chanting “we are hungry” and “life is too expensive, you are going to kill us.” The country has seen food prices soar by between 30 percent and 60 percent from one week to the next. Police broke up the protest with tear gas and batons, injuring over a dozen people.

Similar demonstrations, strikes and clashes have taken place in Bolivia, Peru, Mexico, Indonesia, the Philippines, Pakistan, Uzbekistan, Thailand, Yemen, Ethiopia, and throughout most of sub-Saharan Africa.

With terrifying rapidity, hundreds of millions of people all over the planet have been confronted with the inability to obtain the basic necessities of life. The global capitalist market is dictating intolerable conditions for masses of people on every continent, provoking a worldwide eruption of class struggle.

It is the concern that this struggle will spin out of control that found expression in the statements of concern issued by the IMF and World Bank leaders together with finance ministers and central bank chiefs gathered in Washington.

“If food prices go on as they are today, then the consequences on the population in a large set of countries, including Africa, but not only Africa, will be terrible. Hundreds of thousands of people will be starving. Children will suffer from malnutrition, with consequences all of their lives,” Dominique Strauss-Kahn, the International Monetary Fund managing director, told an April 12 press conference in Washington.

He warned that governments “will see what they have done totally destroyed and their legitimacy facing the population destroyed also.” Strauss-Kahn added: “So it’s not only a humanitarian question. It is not only an economic question. It is also a democratic question. Those kind of questions sometimes end into war.”

“In just two months,” World Bank President Robert Zoellick said in an opening speech to the meeting of finance ministers, “rice prices have skyrocketed to near historical levels, rising by around 75 percent globally and more in some markets, with more likely to come.

“In Bangladesh, a 2-kilogram bag of rice,” he said, holding up such a bag, “now consumes about half of the daily income of a poor family.”

He added that wheat prices had increased by 120 percent, more than doubling the cost of a loaf of bread.

“If food prices go on as they are today, then the consequences on the population in a large set of countries ... will be terrible,” said Zoellick.

The “international community will also need to take urgent and concerted action in order to avoid the larger political and security implications of this growing crisis,” United Nations Secretary-General Ban Ki-moon told international finance and trade officials at a UN meeting following the weekend talks in Washington.

The United Nations Special Rapporteur on the Right to Food Jean Ziegler offered among the bleakest prognoses for the continuing crisis. “We are heading for a very long period of rioting, conflicts (and) waves of uncontrollable regional instability marked by the despair of the most vulnerable populations,” he told the French daily *Liberation* Monday.

He pointed out that, even before the present crisis, hunger claimed the life of a child under the age of 10 every 5 seconds, and 854 million people in the world were seriously undernourished. What was now posed, Ziegler warned, is “an imminent massacre.”

While finance ministers from the US and Europe indicated agreement that the crisis was severe, there was no indication that the major capitalist powers have any plan to mount the kind of effort needed to stave off a humanitarian catastrophe.

The White House announced Monday that it is releasing \$200 million in emergency food aid in response to a World Bank appeal for funding to make up for the shortfall in food assistance caused by soaring prices. The amount—roughly what the US spends in half a day on its war to conquer Iraq—is less than a drop in the bucket in the face of the looming global catastrophe.

In the end, the crisis is a product of the capitalist market itself. It is not a matter of too many mouths to feed or too little food to supply human needs. Food is available, but the market has driven prices to a level out of reach for a growing portion of humanity in the most oppressed countries, and at the same effectively slashing the living standards of workers in the more advanced capitalist world.

This process is driven by a number of factors, including climatic ones, such as the impact of a drought in Australia on wheat production and a flood in Bangladesh on rice. There is also the rise in demand, particularly from growing middle class layers in India and China.

But more fundamental is the effect of speculation in food as a commodity—like oil and precious metals. It has become a haven for financial investors fleeing from paper assets tainted by subprime mortgages and other toxic credit products. The influx of buyers drives prices and makes food unaffordable for the world’s poor.

“Fund money flowing into agriculture has boosted prices,” Standard Chartered Bank food commodities analyst Abah Ofon told the media. “It’s fashionable. This is the year of agricultural commodities.”

Speculation in food as a commodity has been sharply accelerated by the decline in the value of the dollar, soaring oil prices and the promotion of biofuel production in the US and elsewhere. This attempt to generate a new investment “bubble,” based on the fraud that

somehow turning corn into ethanol represents a “green” alternative to fossil fuels, has driven up the price not only of corn, but other grains, while diverting a major share of food production into a more profitable venture.

Subsidized by the US government, American farmers have diverted fully 30 percent of corn production into the ethanol scheme, driving up the cost of other, more expensive, grains that are being bought as substitutes for animal feed.

“When a biofuel policy is launched in the United States, thanks to subsidies of \$6 billion, of bio-fuels that drains 138 million tons of corn from the market, the foundation is laid for a crime against humanity to satisfy one’s own thirst for fuel,” the UN Special Rapporteur on the Right to Food Jean Ziegler told *Liberation*.

This assessment was repeated by India’s finance minister, Palaniappan Chidambaram, who declared, “When millions of people are going hungry, it’s a crime against humanity that food should be diverted to biofuels.”

US officials dismissed the charges, insisting that biofuel production was only one factor among many and indicating that there is no plan to change Washington’s policy.

Country after country has been left vulnerable to the global commodity price surge by “free market” policies implemented at the demands of Washington and the international financial agencies such as the IMF and World Bank over the past quarter century.

The closer integration of the economies of the oppressed countries into the world market has been accompanied by their increasing concentration on specialized export crops, while tariff barriers have been demolished, opening the way to subsidized agricultural staples from the more advanced countries capturing local markets.

Now, attempts by individual national governments to remedy the problem within their own borders—often taking the form of commodity producers erecting barriers on exports—have served to exacerbate the crisis internationally, driving food prices even higher, while triggering protests by farmers in countries stretching from India to Argentina. According to a recent World Bank survey, at least 58 countries have implemented at least some form of food-trade protectionism.

What is emerging in the crisis over food prices is a tumultuous manifestation of a breakdown of the global capitalist order. The catastrophe facing billions of people around the globe cannot be resolved within the confines of a system based on private profit and the nation state.

The revolutionary implications of this crisis are beginning to dawn on elements within the ruling establishment itself. In an article published Monday, the influential US magazine *Time* noted: “The idea of the starving masses driven by their desperation to take to the streets and overthrow the ancien regime has seemed impossibly quaint since capitalism triumphed so decisively in the Cold War... And yet, the headlines of the past month suggest that skyrocketing food prices are threatening the stability of a growing number of governments around the world.”

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