

# Tsunami of hunger

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## Contents

- [Food speculation](#)
- [Food insecurity](#)

During this year, the impossibility to access food has thrown thousands of people in Southern countries, out of their home. Demonstrations, strikes and protests have repeatedly taken place from one end of the planet to the other. During the 2007, rice has doubled in price in Bangladesh and food cost increased by 40% in Haiti and Egypt. The same situation has occurred in Côte d'Ivoire, Bolivia, Indonesia, Mexico, Philippines, Pakistan, Mozambique, Peru, Yemen, Ethiopia... and this list could go on.

These "hunger riots" remind us of those that took place between the 80's and 90's in Southern countries against structural adjustment policies imposed by the World Bank and the International Monetary Fund. Throughout this period, more than fifty riots were scored, leaving thousands dead in Africa, Asia and Latin America. The cause of this situation, was once again, the increase in prices of staple food, transportation and housing; making living conditions worse for the majority of the population of these countries and their struggle for daily survival more difficult. The story is repeated and neo-liberal policies keep leaving behind millions of starving people.

However, today the problem is not the lack of food: global cereal production levels have tripled since the 60's, and food reserves are still higher than their demand. In fact, agricultural production has never been so plentiful. So what is going on? The difficulty is due to the impossibility of the poor people in Southern countries to afford the established prices. It is, therefore, a problem of food access.

70% of staple cereals such as wheat, soy, vegetable oils and rice are those that have suffered the most significant increase in the last year. As an example, the price of wheat has risen up to 130%, and that of rice has risen up to 100% compared to a year ago. Clearly, those who are suffering the serious consequences of the rise in staple food prices are the poorest sectors of the population in the global South, and especially those who abandoned their lands and massively populate the cities.

This crisis is not due to the present juncture but is the result of a privatized agricultural system, focused toward an international market and subordinated to a profit motive. Several reasons have led to this global food crisis: the rise in cereal imports in self-sufficient countries such as India, China and Vietnam; the destruction of harvests by drought and other natural disasters in productive countries such as Bangladesh, China and Australia; an increase in meat consumption among the middle classes in Latin America and Asia leading to greater demand; the rise in oil prices that has directly or indirectly affected dependent agriculture; "biofuel" and "biodiesel" tendency; and increasing speculative investments in cereals following the dot-com and real estate market crash. All these causes have influenced, to a greater or lesser degree, an agricultural system that prioritizes private economic interests over people's food needs. In this weak system, market forces have finally tipped the scale.

## **Food speculation**

How have present prices been settled, though? The price of staple goods such as soy, maize and wheat, is determined by the stock market quotation. The Chicago stock market is the most important of all. Operators sell and buy depending on forecasts of supply and demand. It is, therefore, a market based on speculation. As crashes in the Internet or assets have occurred, the investments have been made on cereal stocks. At least 55% of the financial investment responds to speculation in the agricultural sector, and is linked directly with the rise and volatility of prices.

Multinationals such as Cargill and Bunge, as well as the U.S. government have broad control over the production and trading of these staple goods, determining their final price. This is a recurrent dynamic across the productive chain, the biggest multinationals being those that monopolize the highest benefits of the present crisis in each sector. The main seed companies such as Monsanto, DuPont and Syngenta have recognized a growing increase of their profits and the same has happened to the main chemical fertilizing industries like Mosaic Corporation (Property of Cargill) or Potash Corp. The major food processing companies like Nestlé or Unilever also announce a rise in their profits, although lower than the companies that control the first sections of the chain. The same occurs with the large food distribution companies such as Wal-Mart, Tesco or Carrefour, the kings of the supermarket business, who state that their profits are still increasing.

## **Food insecurity**

We have been exposed to increasing food insecurity that leaves us in a situation where we depend on the agricultural multinationals. This can be explained by the fact that agriculture has become commercialized, which has meant either giving priority to production for export, instead of local supply, or abandoning traditional harvesting systems due to industrialized and drug-dependant agriculture (current use of pesticides and chemicals). Furthermore, systematic neoliberal policies, applied since the 70's, have contributed to this crisis.

The situation in Haiti is revealing. About thirty years ago this country produced the quantity of rice required to feed its population, until the 80's, when in the face of a need of for funding (when Haitian dictator Jean Claude "Baby Doc" Duvalier abandoned the country, stealing its coffers) it had to contract a debt with the International Monetary Fund. From there on, the country was plunged into political and economic dependence, with regard to financial international institutions and the United States.

To obtain the loan, Haiti was forced to apply several structural adjustment policies such as market liberalization and the reduction of tariffs established to protect national crop production. The liberalization allowed indiscriminate imports of rice, subsidized by the United States, that were sold below the price of local produce. Facing the impossibility of competing with imported rice, local producers sank into absolute poverty, abandoning their fields and harvests.

The above situation is comparable to other Southern countries where systematic application of neoliberal policies during the last thirty years has plunged their populations into extreme poverty. Market liberalization from tooth to nail through negotiations with the World Trade Organization, market liberalization agreements, structural adjustment policies, external debt payments, and privatization of services and public goods, are the kind of policies that the World Bank and International Monetary Fund have been putting into practice for the past decades.

These policies have generalized an increasing privatization of agriculture and the food cycle, also

affecting other sectors. Even though this dynamic has revealed its cruelty in Southern countries, it has also been imposed in some Northern countries, with completely industrialized agriculture. Given the consequences of this model, it is necessary to start practicing the principles of food sovereignty. The alternatives are on the table; political will is now required to fight for their implementation.

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**P.S.**

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