



FOOD CRISIS AND SOVEREIGNTY IN SUB-SAHARAN AFRICA Zo Randriamaro

The arithmetics of the food crisis: linkages with the financial crisis

The interconnections between the food crisis and financial crisis are multifaceted: the food price hikes began in the futures markets first. Some traders who were looking for profitable markets following the US subprime crisis and the crash at Wall Street found it interesting to buy and sell the so-called derivatives or futures in commodity markets, including food products. This speculation on agricultural products and oil has boosted demand and consequently increased food prices. Between June 2005 and June 2007, the face value of commodity derivatives has increased by 160 per cent, although real production has not increased. The increase was thus related to something that did not really exist but which was still driving the prices.

Oil is a strategic product, as its price is included in the prices of other agricultural products for which it is needed (e.g. transportation, fertilizers, etc.). Experts estimate that approximately 25 per cent of the oil price is determined by speculation. The increases brought about by this financial speculation plus the increases in the price of oil, which is also subject to speculation, have contributed to the food price hikes. On top of this, because most of international trade is billed in US dollars, the depreciation of the US dollar has led producing countries to increase food prices in order to compensate the exchange rate losses that they have incurred.

The politics of the food crisis

There are serious political questions that can be asked about the food crisis, in particular *why* is it called a 'food crisis'? After all, as far as the African region is concerned, hunger and famines have been around for a very long time and yet, no one called it a crisis. This time, because it affected not only African countries but also regions that were not used to such food shortages and price increases, it is called 'crisis'. The current food crisis is thus hiding a pre-existing food crisis which was ignored because it was taking place in the poorest countries. It is a dramatic testimony to the critical flaws in the global institutions that govern the food system, as well as in the market-based agricultural policies that have been imposed on African countries during the last two decades. This began with the Structural Adjustment Programs that ended the provision of subsidies to farmers, and led African countries to focus on large-scale production for export markets at the expense of subsistence production by small scale farmers.

The food crisis did not happen in a vacuum, but in a food system which involves power relations among many actors with different interests and varying political and economic power – from smallholder farms and families; to Governments and global corporations, etc. – as well as rules and institutions.

The food price hikes and shortages are a reminder about the serious flaws in the current food system that globally leaves more than 850 million people undernourished and over 1 billion overweight (300 million of them obese).

The current food system, including the international market for food to which the African countries are referred to ensure their food security, gives priority to the interests of transnational corporations (TNCs), which dominate the food system. Five or six TNCs have the monopoly in the international food market. The food system that we have now favors the interests of powerful players over the rights of small scale producers.

Madagascar, for example, is one of the poorest countries in the world. The government, who is an enthusiastic follower of the prescriptions of the WB and the IMF, has leased about half of the arable land of Madagascar to Daewoo, a Korean company,. As a result, half of the arable land in Madagascar will be used to grow maize for people in Korea, as well as palm oil for biofuel production, whereas more than 59% of the Malagasy population suffer from chronic hunger (AfDB 2007). This is how the current food system works.

The long-term and structural reasons for the food crisis are linked to the nature of the food system and the prevailing agricultural policies in Africa, which have tended to overemphasize the promotion of primary commodity exports and large scale farming at the expense of food production and smallholder farming. This is despite the fact that most African countries are characterized by the predominance of smallholders' farms (80% of SSA farms are smaller than two hectares¹) within which the household is a key institution in the production system. In addition, as it is well known, women account for an average of 70% of food production in Africa , but all of these agricultural policy issues are happening at the expense of women's rights.

Women's rights and food sovereignty

The current food crisis is clearly linked to the lack of food sovereignty, i.e. the sovereign right of African countries and their peoples to define their agricultural and food policies, and to protect their production from any dumping from third countries.

The food crisis is linked to a history of continued gender discrimination in access to productive assets and decision-making. This crucial issue can be addressed through the Food Sovereignty framework, which is based on the respect for the rights of women farmers, and the recognition of their major role in agricultural and food production

Overall, the recommendations from economists and experts on both the food and financial crises boil down to necessary cuts in public expenditure and the crucial need to maintain macroeconomic stability through inflation targeting, fiscal discipline, etc. In agriculture, African countries are being pushed to undertake land reforms and titling, and to increase their agricultural productivity through the purchase of imported agrochemicals as part of the so-called African Green Revolution. In other words, the Africa region is being pushed towards increased foreign dependence and unsustainable patterns of production.

The current context with the conjunctions of different crises is an opportunity to change the international food system and agricultural policies in Africa. In this regard, it is important to note that even the official discourse on agricultural and food security has changed a little bit. There are now talks about self-sufficiency, etc. Perhaps it is then possible to turn the current food crisis into an opportunity for advancing gender justice, people-centered and sustainable development and women's rights.

¹ IAASDT 2008

