Africa Can Grow Food Once It Breaks from the British

by Lawrence K. Freeman

There is no objective reason for the current food crisis; only bad policies, which by intention, are preventing nations from providing food to hungry people. The world food shortage is the direct consequence of prescriptions of the International Monetary Fund (IMF), the World Bank (WB), and the British-controlled World Trade Organization (WTO).

The dramatic increase of Malawi's agriculture output, reversing years of food aid dependency, once it decided to assert its national sovereignty and disobey the diktats of the IMF/WB/WTO, can be emulated by poor nations around the world. Mankind knows how to produce food, if it is permitted to.

In 2005, the government of Malawi, led by President Dr. Bingu Wa Mutharika, decided to ignore the threats from the IMF et al., about the dire consequences of violating the so-called "laws of the marketplace," and to act for the survival of the Malawi people, by distributing government vouchers for seed, and more important, subsidies for fertilizer, to poor farmers. The results were nothing short of spectacular, producing a 283% increase in corn output over two years. Corn production shot up to 2.7 million metric tons in 2006, and to 3.4 million metric tons in 2007, up from 1.2 million metric tons in 2005. The subsidy program has enabled Malawi to become a net exporter of grain to the region, including sending 270,000 metric tons to Zimbabwe.

The Malawi Ministry of Agriculture and Food Security says that the government will implement a countrywide Farm Subsidy Program for the third season, following the success of the 2005-06 and 2006-07 subsidy programs. The fertilizer subsidy program for 2008 is expected to benefit 1,700,000 small farmers; each coupon distributed by the government will be good for purchase of 50 kilograms of fertilizer. In addition, there will be 2 million coupons for improved maize seed and 1 million coupons for purchase of cotton seeds or legume seeds. The coupons will be distributed to farmers in an open village forum, and each household will receive only one set of coupons.

The land-locked nation of Malawi, in southwest Africa, is one of the poorest nations in the world. Before it embarked on its anti-free-market subsidy program, 6.7 out of 12 million Malawians lived below the poverty line—more than 52%—with as many as 22.4% barely able to survive. Only 66% of rural households satisfied their minimum caloric requirements. In a predominantly agricultural economy, Malawi subsisted on flows of donor money, which accounted for 80% of the development budget and 37% of recurrent expenditures.

IMF: 'Let Them Starve'

After suffering a severe hunger crisis in 2001-02, which affected over 3.2 million people, Malawi was hit with an even worse crisis in 2004-05, affecting 4 million—one-third of the entire population. Despite this level of suffering, the donors, led by the IMF, completely opposed any subsidies to farmers.

During the 1980s, the IMF had demanded acceptance of its structural adjustment programs (SAPs) as a condition for aid, and one of the key features of the SAPS, along with currency devaluation and an end to any infrastructure programs was *the elimination* of subsidies to farmers for the production of food. The IMF and the U.S. Agency for International Development (USAID) took the lead in arguing against the sovereign intervention by the Malawi government to increase the productivity of its agricultural sector *to feed its own people*, by claiming "that subsidies create market distortions," which they insist hampers private sector development. The IMF, WB, and WTO insist that the only way to promote development is by a "market-based approach," which is another way of telling poor nations to starve to death, given how the markets are rigged by London and Wall Street.

The subsidy program has been so successful, since it freed itself from the control of the British-run global financial system, that even the British oligarchs themselves have been forced to acknowledge it. Douglas Alexander, Development Secretary for the United Kingdom, kept his upper lip stiff, when he said of the Malawi program: "I would not at this stage assert that the lesson is to increase agricultural subsidies across Africa, but there was a big uplift in productivity."