

## **Free Market Famine**

**By Frederic Mousseau and Anuradha Mittal | October 26, 2006**

In the summer of 2005, the world rocked to Live Aid concerts, and the Make Poverty History Movement celebrated developed countries' fresh commitments toward the International Development Goals (IDG), development assistance, and debt cancellation at the G8 summit in Gleneagles.

Some three thousands miles south of this euphoria, a nation witnessed thousands of its children die of hunger. This was summer 2005 in Niger, the poorest country in the world.

Niger is a land-locked country in Central West Africa. With an estimated population of 12.4 million (in 2005) largely concentrated in a narrow band of arable land along its southern border, Niger transitioned to a democratically elected government in 1999, following almost a decade of political instability. Rural subsistence agriculture, livestock, uranium-mining, and informal trading activities dominate Niger's economy. Rainfed agriculture contributed 40% to Niger's GDP in 2005, while livestock production accounts for about one-third of the country's value-added sector.

A vast but poor country, Niger ranked last out of 177 countries on the UN Development Program's Human Development Index in 2005. Sixty-three percent of Niger's population lives on less than a dollar a day, and the per capita gross domestic product (GDP) was \$280 in 2005. Social indicators are low: the infant mortality rate is 151.8 per 1,000, life expectancy is 44.7 years, the literacy rate is 17%, and gross primary school enrollment is 52.4%. Even when harvests are good, a shocking 40% of children—one million—suffer from chronic malnutrition, and Niger's under-five mortality rate is the second highest in the world. A September 2005 nutritional survey conducted by UNICEF, the U.S. Centers for Disease Control, and the government of Niger confirmed that 15.3% of children under five years of age suffer from acute malnutrition.

Niger's poverty and widespread hunger hit the world news in 2005 with the terrible food crisis that affected millions of people and led to widespread child malnutrition. Between January and October 2005, relief organizations treated some 230,000 children under the age of five, including 60,000 who were severely malnourished—surpassing past records of relief intervention. Despite this large-scale effort, thousands of children died of hunger-related causes.



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## Roots of the Problem

The 2005 food crisis in Niger has been blamed on locust invasion and drought. Yet Niger did not face an exceptional drop in production in the 2004–2005 agricultural year. Production at the end of 2004 was only 7.5% below the national food requirement. In fact, the 2005 crisis cannot be singled out as an isolated episode in Niger’s history, as the country faces a chronic nutritional emergency.

According to Doctors Without Borders/Médecins Sans Frontières (MSF), an independent international medical humanitarian organization that delivers emergency aid, malnutrition remains pervasive even in years of bountiful harvests (such as 2001 and 2003) and is most prevalent in the Maradi region, which has been nicknamed the breadbasket of Niger. Acute malnutrition is rampant in Niger and admission to feeding programs in the Maradi region have been increasing year after year, with peak admissions between June and September—just before the harvest. In July 2006, MSF reported that they treated 10,000 to 20,000 children annually in the Maradi region in 2004, but during the first quarter of 2006 they provided treatment to more than 26,000 children suffering from acute malnutrition.

Niger is not alone. UN aid workers estimate West Africa is among the most dangerous places for

children, with an estimated 300,000 children under the age of five facing the risk of death from malnutrition every year in the Sahel—which includes Senegal, Mauritania, Mali, Niger, Chad, and Burkina Faso.

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A key reason for the persistent hunger in Niger and elsewhere has been the impact of free market economic reforms. In Niger, the government removed critical regulations on the cereal market, which led to large seasonal fluctuation in prices. High food prices in turn not only made food inaccessible but diverted family income away from health and education expenditures. Farmers growing cash crops, farm workers, and small-scale farmers who are unable to produce enough food to cover the full extent of their food needs have been the most adversely affected by the high food prices. In addition to the problem of inflation, Niger exported food at a time of food deficits.



A child suffering from severe malnutrition is treated at the Médecins Sans Frontières centre in Maradi, Niger. Photograph: Issouf Sanogo/AFP/Getty

## Telling Example

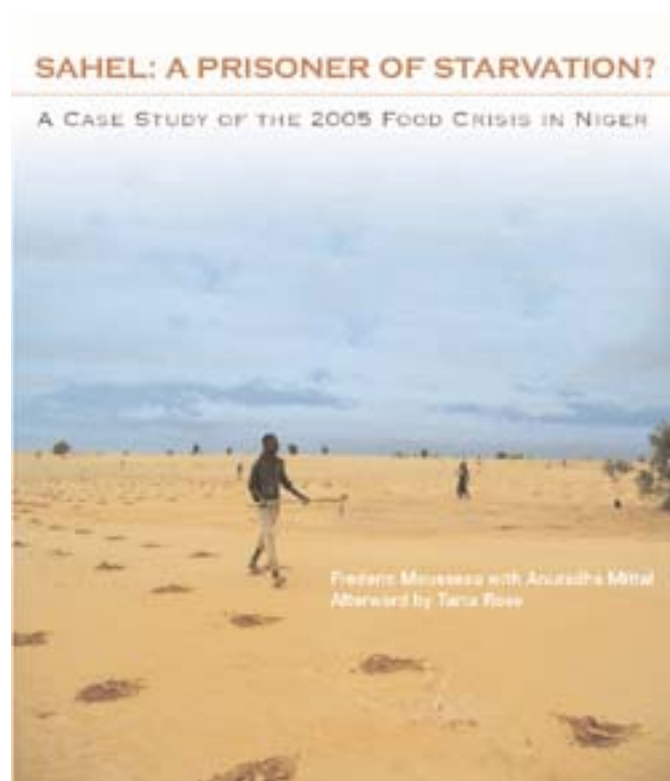
Niger's story is one of entrenched and deepening poverty. Relying on the market to solve food shortages has only left the poorest people hungrier and driven more of the population into chronic poverty. Development policies that promoted economic liberalization and encouraged regional integration along with specialization, commercialization of agriculture, and the withdrawal of the state from regulating the market have left Niger less able to meet its own needs than ever. The monopoly power of large traders over the national cereal trade has centralized control over food access, and global economic factors, such as rising cereal prices and fluctuating currency prices, have destabilized regional markets.

If solutions are to be found to Niger's chronic food shortage, political will and international commitment will be necessary, as well as a shift away from the free market ideology that has been a key factor in the country's descent. Alternative agricultural development models such as agro-forestry have been shown to yield profound and lasting improvements in food security, but they require a long-term and systemic view of development that is not characteristic of how the international community approaches the fight against hunger. Small-scale farmers are those primarily affected by hunger and should be at the center of development policies.

The 2005 food crisis in Niger is a telling example of how emergency aid is an inadequate—and yet essential—component of development policy when food security is left solely to market forces. The global community must choose between continuously shoring up the faltering economies of countries such as Niger or making an effort to find solutions that will allow the world's poorest country to forever shake off that title.

## Recommendations

Various solutions to Niger's food insecurity have been proposed in the aftermath of the 2005 crisis. Some suggest that better early warning systems are the key to timely management of food shortages, but early warning systems in fact did forecast Niger's crisis in 2005. Instead, others propose that some form of government-led market regulation as well as a boost and a re-orientation of development programs are the only systemic ways to address Niger's chronic poverty and food insecurity.



A new report from the Oakland Institute, *Sahel: A Prisoner of Starvation?* makes the following recommendations:

- Promote the consumption and production of local crops raised by small, sustainable farms and through the protection and development of agro-forestry—rather than rely on the production of cash crops for export and imported food.

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- Encourage the Niger government and the Economic Community of West African States (ECOWAS) to rapidly put in place market regulation mechanisms that support and protect West African farmers.
  - Provide the Niger government with sufficient budgetary capacity to maintain national reserves to be used in times of food shortages.
  - Create a Marshall Plan for Africa that includes unconditional 100% debt relief and a considerable boost in foreign aid in order to durably address the problem of hunger in the continent.

For the full report on Niger's food crisis, *Sahel: A Prisoner of Starvation?* visit the Oakland Institute's website at <http://www.oaklandinstitute.org/>.

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