

Millions Are in Fight for Food

by Ramtanu Maitra

On April 12, about 20,000 garment workers in Bangladesh's capital city of Dhaka, fought pitched battles with the police, protesting against the jacked-up price of rice that has led to starvation diets for millions. Three days later, at least 15,000 Bangladesh garment factory workers went on strike to call for higher wages, as food prices in the impoverished nation soared.

What is happening in this 145-million person nation in South Asia is perhaps the first phase of a world food crisis brought about by the irresponsible, if not downright genocidal, policies formulated through the World Trade Organization and that "mother of all economic miracles"—globalization.

The present Bangladesh food crisis was exacerbated by Cyclone Sidr, which swept across the country last December, destroying 418,000 hectares of the rice crop. Official estimates claim the cyclone destroyed as much as 800,000 metric tonnes of rice. This is on top of another 600,000 metric tonnes destroyed by the floods of last Summer's monsoon. The overall shortfall in food products caused by these two calamities was close to 3.0 million metric tonnes for the year.

Bangladesh was forced to cover the shortfall on the world market, buying most of it from the cartels at high prices. Because of the WTO regulations—which should be summarily set aside by the Bangladeshi authorities—these higher prices were passed on to the consumers. And because a very large section of Bangladeshi consumers is extremely poor, and cannot afford any amount of food price rise, a famine-like situation has developed in large parts of rural Bangladesh. The government is selling locally produced rice at a discount but cannot, under WTO rules, do the same with imported rice,

Make Bangladesh Food Secure

There cannot be any question that meeting the food requirements of the population must remain the key objective of the government. This is particularly important for Bangladesh, where natural disasters, like floods and cyclones, visit the country with unflinching regularity, destroying significant amounts of the crops every year.

Over the years, Bangladesh, once described as perpetually short of food, had succeeded in producing almost all the food it needs. This highly vulnerable South Asian country—a net

importer of wheat and some rice—last year produced 30.5 million tonnes of rice, more than half of it during the main Winter season harvest.

Farmers this season have tilled almost all their land to cultivate rice, in hopes of better prices, and to meet the shortfall caused by last Summer's floods and the devastating cyclone. The latest reports indicate that the farmers have succeeded in producing almost all the food that the nation will need. And the government has also begun buying rice from farmers to build a 1.5-million-tonne buffer stock to tackle future emergencies.

In addition, neighboring India has agreed to ship 400,000 tons of heavily discounted rice to Bangladesh, but it could take weeks for the rice to arrive, and officials are uncertain that it will be enough to meet the present crisis.

None of this may ease hunger or food riots, in the short term or in the long-term future, because the authorities in Dhaka have shown little understanding, or instinct, to push back the internationally generated wave of globalization and the diktats laid down by the WTO. Instead, they have adopted "practical economics" to virtually starve their own people and throw the nation into a state of chaos.

Garment Sweatshops: 'Practical Economics'

In this context, it is important to note that the rioters in Dhaka were the garment workers. In the wake of the 2001 global recession, when the wave of globalization reached almost every nook and cranny of the world, Bangladesh's leaders were goaded by the example of China's "economic miracle" and the country's own free-market economists: They opted for relying on foreign countries as a market for exports and as a source of remittances. International seminars were held, and thick papers were presented, pointing out that globalization and free trade have opened up a golden opportunity for Bangladesh's millions to earn foreign exchange reserves and stabilize the Bangladeshi currency, the taka. This was the "practical economics" which the Bangladeshi political leaders embraced with open arms.

What happened subsequently in Bangladesh is not altogether unlike what happened in India during the same period, although India is a nation with wide-ranging agro-industrial capabilities. In India, the selling items were Information Technology and pharmaceuticals. India had a small, but very well qualified group of professionals, who made these sectors successful and made a dent in the world market. But it did precious little for the hundreds of millions of Indians living in rural areas who were eagerly awaiting electrical power, water, transportation, communication networks, health care, and other aspects of the basic physical infrastructure necessary to utilize the productive power of labor.

In Bangladesh, even worse policies were adopted as "practical economics." A garment industry was set up primarily as sweatshops where thousands work to sew and finish tex-

tiles. The objective was to make money in the quota-free global trade regime. Export Promotion Zones (EPZs) were set up around Dhaka (where the trouble now brews), and a wage structure was set up which kept almost 2 million Bangladeshi workers on the verge of hunger and poverty. It was said then, and is still said even now, that this very low wage structure is necessary in order to keep the product price below that of the Chinese, to remain competitive.

The garment industry contributes 76% of the country's total export earnings. "While garment profits thrived on cheap labor at the best of times, cheap labor is now seen as the key to its survival," pointed out one Bangladeshi economic analyst.

Because the sweatshops were bringing in foreign exchange, Dhaka encouraged investors to set up more and more sweatshops. In return, the government guaranteed to keep the wage structure low enough to make the products "competitive" with similar products. From time to time, the garment workers rebelled, but the rebellions were quelled physically, as well as by promises of negotiations to implement a higher wage structure in the future. Investors made clear to the authorities in Dhaka that the proposed higher wage structure would result in the shutdown of many of the factories. "Profit these days rarely exceeds 3% of the yearly turnover," claimed a representative of the owners to the media.

The basic minimum monthly salary of a garment worker is only \$25, and a kilogram (2.2 pounds) of rice used to cost 35 taka (50 cents), normally enough to feed a family of four for a day, but not much more. However, prices for rice have doubled in Bangladesh in the past year. As a result, a majority of Bangladeshi households spend nearly 70% of their income on food, despite the government subsidies for locally produced rice.

Whither Agro-Industrial Infrastructure?

The practical economics implemented by the authorities in Dhaka not only led to starvation and the potential for uncontrollable chaos in the country; it did much worse. Bangladesh has to get out of being a nation where 60% of the workforce depends on agriculture and move to an agro-industrial nation. In order to do that, Dhaka will have to adopt real economics, and not practical economics.

The key to doing that is to make the nation a foolproof food-secure nation. To accomplish this, the powers-that-be will have to do what is necessary: develop the country's basic physical infrastructure. This includes self-sufficiency in power generation; an adequate agricultural and domestic water supply; water and rail-based transportation; education and health care for all; and communication access to the remotest corners of the nation. All these ingredients, done right, will lay a solid foundation for an agro-industrial nation.

Such a policy is a far cry from the rat-trap of the present

sweatshop-based foreign-exchange-earning policy, with its high cost of degradation of the human labor involved, including the threat of hunger and starvation. In order to get the ball rolling, Dhaka will have to buck the WTO and its diktats, and ignore the crocodile tears shed by the international promoters of the WTO, because of Bangladesh's burgeoning food crisis.

To begin with, on April 14, United Nations Secretary-General Ban Ki-moon warned that a rapidly escalating global food crisis has reached emergency proportions and threatens to wipe out "seven years of progress in the fight against poverty." He called for short-term emergency measures in many regions to meet urgent food needs and avoid starvation, and for longer-term efforts to significantly increase production of food grains.

The rapidly escalating crisis of food availability around the world has reached "emergency proportions," Ban said. "The World Bank has estimated that the doubling of food prices over the last three years could push 100 million people in low income countries deeper into poverty."

Dismantle the WTO

A day before Ban's warning, World Bank President Robert Zoellick had appealed to governments to quickly provide the UN World Food Program with \$500 million in emergency aid by May 1. Zoellick also said that the international community has "to put our money where our mouth is," to deal with rapidly rising food prices that have caused hunger and deadly violence in several countries.

Dhaka, and other nations around the world, must realize that if Ban Ki-moon or Zoellick had really meant "to put our money where our mouth is," the first action they would take is to dismantle the WTO in its present form. Because they would not even dare to suggest such an anti-establishment action, their remarks are merely the shedding of crocodile tears. In other words, it would be wise to recognize that these tears are shed by a carnivore.

The WTO policy not only has forced nations to push sweatshops for foreign exchange instead of investment in food-security, but it has created the present situation where a starving nation cannot even find food in the world market to buy. As a result, the inadequate amount of existing food in the world market is now in the hands of the speculators, who are busy stuffing their pockets by starving millions.

The WTO is the single largest obstacle blocking nations from producing ample food for their citizens. It is responsible for the destruction of agriculture in many developing countries by ruling against government subsidies for "expensive" products. In short, the WTO is in the process of putting up food for worldwide auction—whoever can afford to buy it, should be the consumer.

The General Agreement on Tariffs and Trade (GATT) was reincarnated as the WTO in 1995. GATT had stated flatly

in a 1984 document what the WTO powers-that-be still widely acknowledge, that "agriculture had become the most heavily protected and distorted sector in the world economy, with consequent substantial negative effects on international trade and particularly on those developing countries that are heavily reliant on agriculture for their economic development."

In essence, the WTO diktat states that producing food for millions of people in any country should be considered at par with making any widget or toy. By now, the authorities in Dhaka should realize that the survival of citizens and stability of any nation depend on easily available food to everyone. Food and physical security are the two bedrocks on which a nation is built. To keep a nation teetering on the verge of food insecurity, as the WTO demands, through its diktat for non-subsidized farming, is a recipe for disaster.