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Link Between Capitalism And Hunger

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About one-sixth of the world's population — 1 billion people — suffers from malnutrition. Stories about global hunger tend to get ignored by the media even though the number of hungry people has been increasing rapidly in recent years. This problem remains acute even as nations report renewed economic growth and as global food production remains stable.

Liberal economists love to claim that food shortages stem from ineffective state regulations. They argue that the liberalization of food markets is the surest way to achieve abundant food supplies. Alas, three decades of continuous economic liberalization have not led to an abundance of food, but to hunger on a scale never before seen in the history of mankind.

Of course, governments sometimes play a role in creating these problems, but the worst crop failures occur in free markets. Shortages of grain and other products only motivate businesspeople to indulge in profiteering. As prices skyrocket, profiteers — anticipating even higher prices — find it more advantageous to hold on to their goods than to sell them to consumers. And the longer a particular foodstuff can be stored, the faster the price for it soars.

Most of the huge sums of money the government allocated to fight the economic crisis from 2008 to 2010 never reached the real sector but were used for speculating on the market. Prices are outpacing demand, thereby creating new imbalances and hampering economic development. Rising prices have made food an unaffordable luxury for entire social groups and even countries. In Russia, where hunger has thankfully not reached epidemic proportions, high food prices have quickly lowered the standard of living, disrupted consumption patterns and sharply aggravated social conditions.

In the Middle East, the food crisis has already turned into a social explosion. The "bread revolutions" shaking Tunisia, Egypt, Yemen, Libya and Algeria are the natural outcome of many years spent developing a system in which human needs, and even the right to life itself, are subordinated to the whims of the market.

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