Somalia: the Real Causes of Famine

By Prof Michel Chossudovsky
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For the last twenty years, Somalia has been entangled in a "civil war" amidst the destruction of both its rural and urban economies.

The country is now facing widespread famine. According to reports, tens of thousands of people have died from malnutrition in the last few months. The lives of several million people are threatened.

The mainstream media casually attributes the famine to a severe drought without examining the broader causes.

An atmosphere of "lawlessness, gang warfare and anarchy" is also upheld as one of the major causes behind the famine.

But who is behind the lawlessness and armed gangs?

Somalia is categorized as a "failed state", a country without a government.

But how did it become a "failed state"? There is ample evidence of foreign intervention as well as covert support of armed militia groups. Triggering "failed states" is an integral part of US foreign policy. It is part of a military-intelligence agenda.

According to the UN, a situation of famine prevails in southern Bakool and Lower Shabelle, areas in part controlled by Al Shahab, a jihadist militia group affiliated to Al Qaeda.

Both the UN and the Obama administration had accused Al Shahab of imposing "a ban on foreign aid agencies in its territories in 2009". What the reports do not mention, however, is that Harakat al-Shabaab al-Mujahideen (HSM) ("Movement of Striving Youth") is funded by Saudi Arabia and supported covertly by Western intelligence agencies.

The backing of Islamic militia by Western intelligence agencies is part of a broader historical pattern of covert support to Al Qaeda affiliated and jihadist organizations in a number of countries, including, more recently, Libya and Syria.

The broader question is: What outside forces triggered the destruction of the Somali State in the early 1990s?

Somalia remained self-sufficient in food until the late 1970s despite recurrent droughts. As of the early 1980s, its national economy was destabilized and food agriculture was destroyed.

The process of economic dislocation preceded the onset of the civil war in 1991. Economic *and social chaos resulting from IMF "economic medicine" had set the stage for the launching of a US sponsored "civil war".*

An entire country with a rich history of commerce and economic development, was transformed into a territory.

In a bitter irony, this open territory encompasses significant oil wealth. Four US oil giants had already positioned themselves prior to the onset of the Somali civil war in 1991:

> Far beneath the surface of the tragic drama of Somalia, four major U.S. oil companies are quietly sitting on a prospective fortune in exclusive concessions to explore and exploit tens of millions of acres of the Somali countryside.
>
> According to documents obtained by The Times, nearly two-thirds of Somalia was allocated to the American oil giants Conoco, Amoco, Chevron and Phillips in the final years before Somalia's pro-U.S. President Mohamed Siad Barre was overthrown and the nation plunged into chaos in January, 1991. …
>
> Officially, the Administration and the State Department insist that the U.S. military mission in Somalia is strictly humanitarian. Oil industry spokesmen dismissed as "absurd" and "nonsense" allegations by aid experts, veteran East Africa analysts and several prominent Somalis that President Bush [Senior], a former Texas oilman, was moved to act in Somalia, at least in part, by the U.S. corporate oil stake.
>
> But corporate and scientific documents disclosed that the American companies are well positioned to pursue Somalia's most promising potential oil reserves the moment the nation is pacified. And the State Department and U.S. military officials acknowledge that one of those oil companies has done more than simply sit back and hope for peace.
>
> Conoco Inc., the only major multinational corporation to maintain a functioning office in Mogadishu throughout the past two years of nationwide anarchy, has been directly involved in the U.S. government's role in the U.N.-sponsored humanitarian military effort.(The Oil Factor in Somalia : Four American petroleum giants had agreements with the African nation before its civil war began. They could reap big rewards if peace is restored. – Los Angeles Times 1993)

Somalia had been a colony of Italy and Britain. In 1969, a post-colonial government was formed under president Mohamed Siad Barre; major social programs in health and education were implemented, rural and urban infrastructure was developed in the course of the 1970s, significant social progress including a mass literacy program was achieved.

The early 1980s marks a major turning point.

The IMF-World Bank structural adjustment program (SAP) was imposed on sub-Saharan Africa. The recurrent famines of the 1980s and 1990s are in large part the consequence of IMF-World Bank "economic medicine".

In Somalia, ten years of IMF economic medicine laid the foundations for the country's transition towards economic dislocation and social chaos.

By the late 1980s, following recurrent "austerity measures" imposed by the Washington consensus, wages in the public sector had collapsed to three dollars a month.

The following article first published in 1993 in Le Monde diplomatique and Third World Resurgence centers on the historical causes of famine in Somalia.

This article was subsequently included as a Chapter in my book [The Globalization of Poverty and the New World Order,](#) first edition 1997, second edition, Global Research. Montreal, 2003.

Somalia: the Real Causes of Famine

by Michel Chossudovsky

First published in 1993, *Third World Resurgence* and *Le Monde diplomatique*

The IMF Intervention in the Early 1980s

Somalia was a pastoral economy based on "exchange" between nomadic herdsmen and small agriculturalists. Nomadic pastoralists accounted for 50 percent of the population. In the 1970s, resettlement programs led to the development of a sizeable sector of commercial pastoralism. Livestock contributed to 80 percent of export earnings until 1983. Despite recurrent droughts, Somalia remained virtually self-sufficient in food until the 1970s.

The IMF-World Bank intervention in the early 1980s contributed to exacerbating the crisis of Somali agriculture. The economic reforms undermined the fragile exchange relationship between the "nomadic economy" and the "sedentary economy" – i.e. between pastoralists and small farmers characterized by money transactions as well as traditional barter. A very tight austerity program was imposed on the government largely to release the funds required to service Somalia's debt with the Paris Club. In fact, a large share of the external debt was held by the Washington-based financial institutions.' According to an ILO mission report:

> [T]he Fund alone among Somalia's major recipients of debt service payments, refuses to reschedule. (…) De facto it is helping to finance an adjustment program, one of whose major goals is to repay the IMF itself.

Towards the Destruction of Food Agriculture

The structural adjustment program reinforced Somalia's dependency on imported grain. From the mid-1970s to the mid-1980s, food aid increased fifteen-fold, at the rate of 31 percent per annum.' Combined with increased commercial imports, this influx of cheap surplus wheat and rice sold in the domestic market led to the displacement of local producers, as well as to a major shift in food consumption patterns to the detriment of traditional crops (maize and sorghum). The devaluation of the Somali shilling, imposed by the IMF in June 1981, was followed by periodic devaluations, leading to hikes in the prices of fuel, fertilizer and farm inputs. The impact on agricultural producers was immediate particularly in rain-fed agriculture, as well as in the areas of irrigated farming. Urban purchasing power declined dramatically, government extension programs were curtailed, infrastructure collapsed, the deregulation of the grain market and the influx of "food aid" led to the impoverishment of farming communities.'

Also, during this period, much of the best agricultural land was appropriated by bureaucrats, army officers and merchants with connections to the government.' Rather than promoting food production for the domestic market, the donors were encouraging the development of so-called "high value-added" fruits, vegetables, oilseeds and cotton for export on the best irrigated farmland.

Collapse of the Livestock Economy

As of the early 1980s, prices for imported livestock drugs increased as a result of the depreciation of the currency. The World Bank encouraged the exaction of user fees for veterinarian services to the nomadic herdsmen, including the vaccination of animals. A private market for veterinary drugs was promoted. The functions performed by the Ministry of Livestock were phased out, with the Veterinary Laboratory Services of the ministry to be fully financed on a cost-recovery basis. According to the World Bank:

> Veterinarian services are essential for livestock development in all areas, and they can be provided mainly by the private sector. (... Since few private veterinarians will choose to practice in the remote pastoral areas, improved livestock care will also depend on "para vets" paid from drug sales.'

The privatization of animal health was combined with the absence of emergency animal feed during periods of drought, the commercialization of water and the neglect of water and rangeland conservation. The results were predictable: the herds were decimated and so were the pastoralists, who represent 50 percent of the country's population. The "hidden objective" of this program was to eliminate the nomadic herdsmen involved in the traditional exchange economy. According to the World Bank, "adjustments" in the size of the herds are, in any event, beneficial because nomadic pastoralists in sub-Saharan Africa are narrowly viewed as a cause of environmental degradation."

The collapse in veterinarian services also indirectly served the interests of the rich countries: in 1984, Somalian cattle exports to Saudi Arabia and the Gulf countries plummeted as Saudi beef imports were redirected to suppliers from Australia and the European Community. The ban on Somali livestock imposed by Saudi Arabia was not, however, removed once the rinderpest disease epidemic had been eliminated.

Destroying the State

The restructuring of government expenditure under the supervision of the Bretton Woods institutions also played a crucial role in destroying food agriculture. Agricultural infrastructure collapsed and recurrent expenditure in agriculture declined by about 85 percent in relation to the mid-1970s."

The Somali government was prevented by the IMF from mobilizing domestic resources. Tight targets for the budget deficit were set. Moreover, the donors increasingly provided "aid", not in the form of imports of capital and equipment, but in the form of "food aid". The latter would in turn be sold by the government on the local market and the proceeds of these sales (i.e. the so-called "counterpart funds") would be used to cover the domestic costs of development projects. As of the early 1980s, "the sale of food aid" became the principal source of revenue for the state, thereby enabling donors to take control of the entire budgetary process."

The economic reforms were marked by the disintegration of health and educational programmes.’3 By 1989, expenditure on health had declined by 78 percent in relation to its 1975 level. According to World Bank figures, the level of recurrent expenditure on education in 1989 was about US$ 4 Per annum per primary school student down from about $ 82 in 1982. From 1981 to 1989, school enrolment declined by 41 percent (despite a sizeable increase in the population of school age), textbooks and school materials disappeared from the class-rooms, school buildings deteriorated and nearly a quarter of the primary schools closed down. Teachers’ salaries declined to abysmally low levels.

The IMF-World Bank program has led the Somali economy into a vicious circle: the decimation of the herds pushed the nomadic pastoralists into starvation which in turn backlashes on grain producers who sold or bartered their grain for cattle. The entire social fabric of the pastoralist economy was undone. The collapse in foreign exchange earnings from declining cattle exports and remittances (from Somali workers in the Gulf countries) backlashed on the balance of payments and the state’s public finances leading to the breakdown of the government’s economic and social programs.

Small farmers were displaced as a result of the dumping of subsidized US grain on the domestic market combined with the hike in the price of farm inputs. The impoverishment of the urban population also led to a contraction of food consumption. In turn, state support in the irrigated areas was frozen and production in the state farms declined. The latter were slated to be closed down or privatized under World Bank supervision.

According to World Bank estimates, real public-sector wages in 1989 had declined by 90 percent in relation to the mid-1970s. Average wages in the public sector had fallen to US$ 3 a month, leading to the inevitable disintegration of the civil administration.” A program to rehabilitate civil service wages was proposed by the World Bank (in the context of a reform of the civil service), but this objective was to be achieved within the same budgetary envelope by dismissing some 40 percent of public-sector employees and eliminating salary supplements.” Under this plan, the civil service would have been reduced to a mere 25,000 employees by 1995 (in a country of six million people). Several donors indicated keen interest in funding the cost associated with the retrenchment of civil servants.”

In the face of impending disaster, no attempt was made by the international donor community to rehabilitate the country’s economic and social infrastructure, to restore levels of purchasing power and to rebuild the civil service: the macro-economic adjustment measures proposed by the creditors in the year prior to the collapse of the government of General Siyad Barre in January 1991 (at the height of the civil war) called for a further tightening over public spending, the restructuring of the Central Bank, the liberalization of credit (which virtually thwarted the private sector) and the liquidation and divestiture of most of the state enterprises.

In 1989, debt-servicing obligations represented 194.6 percent of export earnings. The IMF’s loan was cancelled because of Somalia’s outstanding arrears. The World Bank had approved a structural adjustment loan for US$ 70 million in June 1989 which was frozen a few months later due to Somalia’s poor macro-economic performance. ‘7 Arrears with creditors had to be settled before the granting of new loans and the negotiation of debt rescheduling. Somalia was tangled in the straightjacket of debt servicing and structural adjustment.

Somalia's experience shows how a country can be devastated by the simultaneous application of food "aid" and macro-economic policy. There are many Somalias in the developing world and the economic reform package implemented in Somalia is similar to that applied in more than 100 developing countries. But there is another significant dimension: Somalia is a pastoralist economy, and throughout Africa both nomadic and commercial livestock are being destroyed by the IMF-World Bank program in much the same way as in Somalia. In this context, subsidized beef and dairy products imported (duty free) from the European Union have led to the demise of Africa's pastoral economy. European beef imports to West Africa have increased seven-fold since 1984: "the low quality EC beef sells at half the price of locally produced meat. Sahelian farmers are finding that no-one is prepared to buy their herds"."

The experience of Somalia shows that famine in the late 20th century is not a consequence of a shortage of food. On the contrary, famines are spurred on as a result of a global oversupply of grain staples. Since the 1980s, grain markets have been deregulated under the supervision of the World Bank and US grain surpluses are used systematically as in the case of Somalia to destroy the peasantry and destabilize national food agriculture. The latter becomes, under these circumstances, far more vulnerable to the vagaries of drought and environmental degradation.

Throughout the continent, the pattern of "sectoral adjustment" in agriculture under the custody of the Bretton Woods institutions has been unequivocally towards the destruction of food security. Dependency vis-à-vis the world market has been reinforced, "food aid" to sub-Saharan Africa increased by more than seven times since 1974 and commercial grain imports more than doubled. Grain imports for sub-Saharan Africa expanded from 3.72 million tons in 1974 to 8.47 million tons in 1993. Food aid increased from 910,000 tons in 1974 to 6.64 million tons in l993.

"Food aid", however, was no longer earmarked for the drought-stricken countries of the Sahelian belt; it was also channeled into countries which were, until recently, more or less self-sufficient in food. Zimbabwe (once considered the bread basket of Southern Africa) was severely affected by the famine and drought which swept Southern Africa in 1992. The country experienced a drop of 90 percent in its maize crop, located largely in less productive lands." Yet, ironically, at the height of the drought, tobacco for export (supported by modem irrigation, credit, research, etc.) registered a bumper harvest. While "the famine forces the population to eat termites", much of the export earnings from Zimbabwe's tobacco harvest were used to service the external debt.

Under the structural adjustment program, farmers have increasingly abandoned traditional food crops; in Malawi, which was once a net food exporter, maize production declined by 40 percent in 1992 while tobacco output doubled between 1986 and 1993. One hundred and fifty thousand hectares of the best land was allocated to tobacco .2′ Throughout the 1980s, severe austerity measures were imposed on African governments and expenditures on rural development drastically curtailed, leading to the collapse of agricultural infrastructure. Under the World Bank program, water was to become a commodity to be sold on a cost-recovery basis to impoverished farmers. Due to lack of funds, the state was obliged to withdraw from the management and conservation of water resources. Water points and boreholes dried up due to lack of maintenance, or were privatized by local merchants and rich farmers. In the semi-arid regions, this commercialization of water and irrigation leads to the collapse of food security and famine.

Concluding Remarks

While "external" climatic variables play a role in triggering off a famine and heightening the social impact of drought, famines in the age of globalization are man-made. They are not the consequence of a scarcity of food but of a structure of global oversupply which undermines food security and destroys national food agriculture. Tightly regulated and controlled by international agri-business, this oversupply is ultimately conducive to the stagnation of both production and consumption of essential food staples and the impoverishment of farmers throughout the world. Moreover, in the era of globalization, the IMF-World Bank structural adjustment program bears a direct relationship to the process of famine formation because it systematically undermines all categories of economic activity, whether urban or rural, which do not directly serve the interests of the global market system.

(for footnotes see Chapter in the Globalization of Poverty)

The Globalization of Poverty and the New World Order

by Michel Chossudovsky

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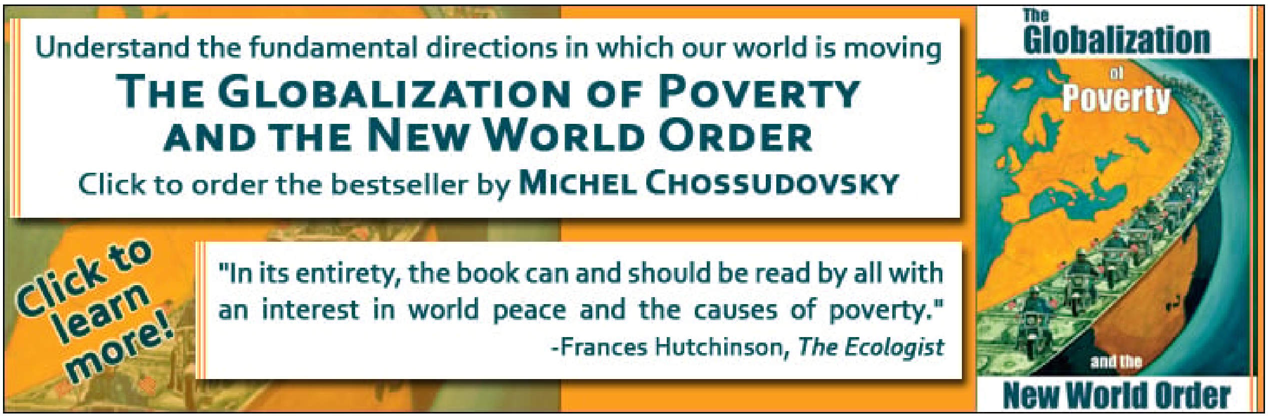

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Michel Chossudovsky is Professor of Economics (emeritus) at the University of Ottawa, Founder and Director of the Centre for Research on Globalization (CRG), which hosts the critically acclaimed website www.globalresearch.ca . He is a contributor to the Encyclopedia

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"As Michel Chossudovsky, author of The Globalisation of Poverty, has pointed out, an entirely undemocratic world body "has been casually installed in Geneva, empowered under international law with the mandate to 'police' country level economic and social policies". This amounts to a "repeal of the Universal Declaration of Human Rights", providing "legitimacy to trade practices which border on criminality [including] the patenting of human life forms". John Pilger, New Statesman.

"More than just an austerity program, Chossudovsky believes the conditions the IMF demands of countries – with little choice but to accept – are draconian…He also believes the

IMF is getting its direction from the wealthy Wall Street investment banks which act as informal policy advisers and more formally, help structure and deliver bailout packages. "There are powerful financial actors behind this," he says. While Chossudovsky, author of The Globalization Of Poverty, is careful not to suggest a conspiracy, he says large multinational corporations and investment houses benefit from the chaos in countries like South Korea and Indonesia once their currencies are devalued." Laura Eggertson, The Toronto Star

"Michel Chossudovsky is one of the leading intellectuals of the antiwar movement, perhaps the best, as I find he works his tail off in documenting the material he presents and is rigorous in his analysis." Jude Wanniski, Polyconomics.

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