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Effects of war in Ukraine

# Exacerbating the Contradictions

- IV Online magazine - 2022 - IV570 - July 2022 -

Publication date: Thursday 14 July 2022

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**Russia's invasion of Ukraine is likely the most significant historical event since the US invaded and occupied Iraq in 2003, with immeasurably devastating consequences. In addition to its catastrophic humanitarian impact in Eastern Europe, Russia's war has already made a significant impact on geopolitics and global capitalism itself. It has forced states throughout the world to respond to US pressure to sanction and condemn Russia. The interruption of Russian energy exports and Russian and Ukrainian grain exports have dramatically driven up the price of gas and food throughout the world.**

The war and its consequences will have a tremendous impact on the Middle East and North Africa (MENA) region in particular. It will test the strength of the region's autocratic states, which variously balance between relying on the US, Russia, and China as imperial powers. It will also exacerbate the crisis in the region, in particular by driving up the price of essential foods like bread, which are subject to extreme market-price fluctuations given the neoliberalization-induced loss of food sovereignty. This will put enormous strain on the already impoverished, deepening malnutrition and adding new segments of the precariously fed to the underfed and starving.

While this may produce a new round of protest in a region that has seen several since the 2011 'Arab Spring,' these will face enormous state repression. Re-emergent protest movements will also have to confront the disillusionment in the capacity of mass resistance as a result of the political impasses hit by previous waves of revolt. To help overcome these obstacles, the left and social movements should adopt a strategic focus on securing food sovereignty. Doing so is key to challenging the neoliberalization of the region's economy, specifically its production of food that has impoverished the region's popular classes and set the stage for the disruptions caused by war to become truly catastrophic.

## Geopolitical Contexts

The Russian invasion and the US response to it will put enormous pressure on the MENA region's states. Most of them have developed relations with the US, Russia, and China. The US has pressured all of them to align with it in the wake of Russia's invasion by supporting Ukrainian resistance. A few countries like Lebanon and Kuwait have kowtowed to Washington, but a large majority of the MENA states, including most of the Gulf monarchies, Israel, and Egypt, have remained silent, or tried to adopt a neutral position between Moscow and Washington. Only the Iranian and Syrian regimes, as well as Hezbollah in Lebanon and the Houthis in Yemen, have expressed solidarity with Russia.

Moreover, Saudi Arabia and the United Arab Emirates (UAE) waited until the beginning of June to give in to US pressure to increase oil production and to bring down hydrocarbon prices, which have soared since the start of the invasion of Ukraine. The group of oil-producing states (known as OPEC Plus) declared an increase of 50% over the monthly increase planned under last year's program for the months of July and August 2022.

At the same time, US officials announced that President Biden would visit Saudi Arabia, the effective leader of OPEC Plus in June. This trip probably signaled a rapprochement between Washington and Riyadh, after a relative cooling after Biden's election. [1] Biden vowed to turn Saudi Arabia into a "pariah" state during the 2020 election campaign after US intelligence accused Saudi Crown Prince Mohammed bin Salman, known as MBS, of approving the 2018 killing of Saudi opposition journalist Jamal Khashoggi. A willingness to collaborate on different issues, including the attempt to halt the rising fuel prices, is crucial as inflation becomes a major problem for Biden and the Democratic

Party in the midterm elections.

The volume of additional crude oil that OPEC Plus committed to produce is, however, unlikely to result in any significant reduction in gasoline prices. The price of oil actually increased by more than one percent, to about \$117 a barrel, following the OPEC Plus statement. The OPEC plus announcement will not be able to compensate for the reduction in Russia's production, the world's second largest oil exporter, which could potentially be reduced by as much as 2 to 3 million bpd in the following months as a result of Western sanctions. Russia was already producing below its OPEC Plus target of 10.44 million bpd in April 2022 with output running at about 9.3 million bpd.

In contrast to Riyadh and Abu Dhabi, Qatar has been willing to strengthen its alliance with Washington and Western states since the beginning of the war in Ukraine. But it has also maintained relations with Moscow. Qatar carefully called for a diplomatic solution that would recognize Ukraine's territorial integrity, and in April Doha provided a platform to Ukrainian President Volodymyr Zelenskyy at its annual Doha Forum. While Qatar also benefits from record high gas prices, it has adopted a strategy of cooperation with Western states. Qatar has, for instance, demonstrated willingness to help European countries wean themselves off their energy dependence on Russia, signing a gas deal with Germany.

Regardless of their positions on Russia's invasion of Ukraine, all the Gulf monarchies have developed political, economic, and military relations with Moscow in the past decade, yet also maintained close relationships with Washington. They have developed a policy of diversifying partnerships both regionally and internationally, including with China.

Egypt is a similar case. While it supported the resolution at the UN General Assembly condemning Russia's invasion of Ukraine, Egyptian President Abdel Fattah al-Sisi has maintained close relations with Putin. He has done so to ensure that Cairo's nominal endorsement of the Western position on Ukraine doesn't endanger Egypt's long-term relationship with Russia. Since 2014, arms deals became a mainstay in Egyptian-Russian relations as Russia turned into one of the most important sources of Egyptian armament alongside the United States and France. Russia's State Atomic Energy Corporation, Rosatom, is also currently building a nuclear power plant in Egypt's Dabaa, a \$26 billion project.

The MENA states' policy of balancing between the US, Russia, and China is a direct consequence of the weakening of U.S. power after its defeat in Iraq, in addition to the effects of the Great Recession, both of which dealt severe economic blows to the prestige of the American neoliberal model. This has left more space for other imperialists like Russia and China to cut deals with MENA states.

The relative decline of the US has also benefited regional powers that have increasingly acted with greater assertiveness and autonomy. Iran, Turkey, Saudi Arabia, the UAE, Qatar, and Egypt have played a growing role in the region, especially since popular uprisings in 2011 when they backed various forces as proxies or intervened directly to repress the protest movements. The US left the door open to them by signaling that it was unwilling to defend its allies by deploying massive numbers of soldiers.

As a result, each of the states prefers a diplomatic solution for Ukraine, in which Russia does not experience a major defeat. Such a defeat would strengthen US power and unilateralism and render their efforts to diversify their various alliances and partnerships more difficult. This would hurt the regimes' efforts for more political autonomy.

## Stagflation and Food Crisis in the MENA Region

## Exacerbating the Contradictions

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Russia's war is having an enormous impact on the MENA region's economy, most importantly by driving up the price of food, oil, and gas. Russia and Ukraine supply approximately a third of the world's wheat exports, over 70 percent of all sunflower oil, 20 percent of corn, 26.6 percent of barley, and 11 percent of oil. Moscow is one of the world's most significant providers of fertilizer and related raw materials such as sulfur.

Since the invasion, ports on the Black Sea have stopped almost all forms of commercial activity, leading to a historic rise in wheat prices, exceeding even prices hit during the global food crisis in 2007-08. Rising inflation and a reduction in global GDP growth are expected by most economic institutions. The IMF is anticipating the level of inflation to reach 5.7 percent this year in advanced economies and 8.7 percent in the emerging markets, 1.8 and 2.8 percentage points higher respectively than projected as recently as January.

Globally, the economy is expected to grow at 3.6 percent, down 0.8 percent from January's forecast. The World Bank's latest Commodity Markets Outlook stated that "the war in Ukraine has dealt a major shock to commodity markets, altering global patterns of trade, production, and consumption in ways that will keep prices at historically high levels through the end of 2024." [2] This, they concluded, represents "overall the largest commodity shock we've experienced since the 1970s."

The report adds that "energy prices are expected to rise more than 50 percent in 2022 before easing in 2023 and 2024. Non-energy prices, including agriculture and metals, are projected to increase almost 20 percent in 2022 and will also moderate in the following years. Nevertheless, commodity prices are expected to remain well above the most recent five-year average. In the event of a prolonged war, or additional sanctions on Russia, prices could be even higher and more volatile than currently projected."

These global developments will exacerbate all the developmental problems produced by the neoliberalization of the MENA region's economy. Several MENA countries rely on Ukraine and/or Russia for their food imports, particularly for wheat and cereals. Egypt is for instance the world's largest wheat importer, with between 70 and 80 percent of its supply coming from Russia and Ukraine.

The prices of wheat flour and vegetable oil have increased throughout the region. In mid April, cooking oil was up 36 percent in Yemen and 39 percent in Syria, while wheat flour was up 47 percent in Lebanon, 15 percent in Libya and 14 percent in Palestine. Even prior to the war in Ukraine, inflation and rising prices were severely limiting access to food for the most impoverished. Food prices reached an all-time high in February 2022, according to the UN Food and Agriculture Organization's (FAO) Food Price Index.

The United Nations' World Food Program warned that war in Ukraine could drive millions of people in the MENA region into food poverty and lead to food insecurity globally. The MENA region already accounted for 20 percent of the world's acutely food insecure people in 2020, while it represents only 6 percent of the world's population. This is at least partly the case because the MENA region is the largest food importing region in the world, with around 53 percent of its consumed food imported from abroad, according to the World Bank. Yet, how did the region become so susceptible to radical price changes in imported food?

The region's dependency grew in direct proportion to the neoliberal domination of agriculture. Several decades ago, a large number of MENA countries did not rely on such levels of imported grain and other staples. Egypt for instance had a self-sufficiency ratio (domestic production in relation to consumption) for wheat of approximately 70 percent in 1960. This dropped to 23 percent by 1980 as imports increased massively. Similar processes occurred in other countries throughout the MENA region.

## Neoliberalization of Agriculture

In order to understand the scope of the problem today, we must situate the current short-term disruptions in light of a much longer-term project of intentionally engineering economies to be less resilient and self-sufficient. This food dependency and therefore vulnerability to the interruption of grain from Russia and Ukraine was a direct result of the adoption of neoliberalism by most of the MENA states over the past several decades. The states opened their markets to the world economy and engaged in speculative investment in search of short-term profits in the unproductive sectors of the economy, especially in real estate, finance, and trade. They also opened their economies to foreign direct investment, developing the export and service sector, especially tourism.

In collaboration with the International Financial Institutions (IFIs), they also privatized state industry, cut welfare, and removed subsidies to basic necessities like food, lowering the standard of living of the popular classes. At the same time, the states have kept taxes on both foreign and domestic companies low and guaranteed them cheap labor.

As a result, all the region's countries are characterized by extreme class inequality, high rates of poverty, and casualized labor and unemployment, especially among youth. Over the last few decades, millions of people left the countryside to find work in urban areas or even abroad because of higher levels of poverty and a severe deterioration of the conditions of life in rural areas. Migrant laborers abroad sent part of their earnings back home to subsidize their relatives they had left behind. Egypt and Morocco experienced this pattern dramatically. Between 1970s and 2008, they were respectively the first and third largest recipients of remittances from workers abroad of all the countries in the MENA region. And in the case of the Gulf monarchies, their economies rely on temporary migrant workers who make up the majority of the laboring population and are deprived of all political, labor, and civil rights.

The outbreak of the popular uprisings in the MENA region in 2011 was therefore not just the result of the global economic crisis of 2008. Certainly, the Great Recession helped trigger the protest movements, but the region has suffered from deep structural problems compared to the rest of the world. These problems have only deepened over the last decade. The World Inequality Report 2022 declared the MENA region as the world's most unequal area. The report stated that the wealthiest 10 percent of the region's population holds 58 percent of income compared to 36 percent in Europe.

This inequality is, in large part, driven by long-term neoliberal restructuring of agriculture, and it has had devastating consequences on the popular classes. It has dispossessed peasants of their land, fundamentally changing rural life, and made countries dependent on food imports. The IFIs and states suppressed collective property rights, dismantled subsidies and support for peasant farmers, commodified land, and sold it to private conglomerates.

In the process, the agricultural sector was transformed from smaller farms producing for the domestic market to industrial-sized farms exporting for the world market. These concentrate on producing the most profitable crops such as fruits and vegetables to the detriment of staples. Large-scale farmers reaped rewards in this new system, while most farmers and peasants suffered impoverishment.

The most significant example may be that of Egypt. In 1992, the Egyptian government passed Law 96, which permitted landlords to sell land without informing or negotiating with tenants. It also removed longstanding caps on rural rents, driving them up by 300 to 400 percent in some areas. More than a third of all tenant families in rural areas (approximately 1 million households) lost their rights to land. Law 96 was enthusiastically backed by the World Bank and IMF as part of their general policy to establish private property rights in agriculture.

Yet Egypt is far from alone. As a whole, the MENA region is the second most unequal region for landownership in the world, just after Latin America. A staggering 20 percent of farms, most of them large agribusinesses, own 80 percent

of cultivated land in the MENA region, while the remaining 80 percent of mostly small farms hold a mere 20 percent. In 2008, the top 28 percent of big farmers in Syria controlled 75 percent of the irrigated land, while the bottom 49 percent controlled only 10 percent. A Syrian satirical newspaper put it well in 2006: "After 43 years of socialism, feudalism returns."

With this land concentration, employment in the region's agricultural sector dropped from 35.2 percent of total employment in 1991 to 18.7 percent in 2019, and the share of rural population in the total population decreased from 68.8 percent of the total in 1960 to 40.8 percent in 2019. This was the general trend, with some variations in each country.

The neoliberalization of agriculture devastated the remaining small-scale farmers. They saw their material capabilities weakened and their ability to produce and reproduce fundamentally compromised. Overall, the production of food became subordinated to the profit motive in the service of wealth accumulation, a transformation that only enriched a minority. Worse, this enrichment was made possible by willfully failing to meet the needs of the local population. These neoliberal policies fueled the rise of a new agribusiness sector dominated by large corporations and big landowners, essentially reversing the redistributive land reforms implemented during decolonization.

MENA governments also opened their markets to international agribusiness with the aim of supplying cheap food, while cutting agricultural subsidies that state-led capitalist policies had maintained in the past. Thus, the MENA region became increasingly subject to the vagaries of the global agribusiness market, making its people particularly vulnerable to price hikes in imported staples like wheat.

## Impact on MENA's Revolutionary Process

The war in Ukraine will exacerbate all of the MENA region's problems of inequality, poverty, increased food prices, and generally high cost of living created by neoliberalization.

The rising cost of commodities will have multiple impacts. The increased price of oil and gas will increase inflation, stretching the capacities of the popular classes to maintain their already low standard of living. Shortages of wheat and consequent price increases will in turn increase the price of bread, which is a staple food in the region, eaten with most meals. Depending on the country, bread and grains comprise up to half of the average person's diet, compared to up to a quarter of the average European's. In the past, such sudden spikes in food prices have led to social protests, as happened in 2007-2008 and again in 2011. In both cases, food price increases contributed to protest movements in more than 40 countries.

Already, the rapid increase in the price of bread caused by the Russian invasion has sparked several demonstrations in the MENA region. People have denounced the rise in the cost of food and gas. Protests have broken out in several southern provinces of Iraq over the increased price rises for bread and cooking oil, among other goods. Sudan, already in the midst of an ongoing mass uprising for democracy and social justice, has been hit by a 50 percent rise in the price of bread, adding desperate economic demands to the political ones raised by the movement against the military regime.

In mid-May, demonstrations were organized in several Iranian cities, including in Tehran, to protest the government's lifting of subsidies on flour as well as the dramatic increase in the price of oil and dairy products. These came on top of a wave of actions organized by teachers against their working conditions, and subsequent state repression. During May Day protests, for example, nearly 40 teachers were arrested, and education union leader Rasoul Bodaghi was sentenced to five years in prison. This is an early signal that states will rely heavily on strong-arm tactics of

repression despite objectively worsening conditions.

The absence of mass leftist or progressive organization makes it difficult for protests that do emerge to cohere into a challenge to the states and their policies. Sudan, with its highly developed mass organizations and leftist currents, is an exception and therefore a beacon of hope. In the rest of the region, workers and the oppressed still face the challenging task of building mass organizations. Doing so is necessary not only to achieve food and aid in increasingly difficult circumstances, but in order to challenge the political and economic framework which produced economies so susceptible to such shocks in the first place.

## Fighting for Food Sovereignty

As part of that project, the left needs to develop a political strategy to challenge the neoliberal model's impact on the agriculture system. It must raise the demand of "food sovereignty" as the alternative to the idea of "food security" touted by neoliberal thought and advocated by the IFIs.

The FAO defines "food security" as the material, social, and economic ability of everyone to access safe and nutritious food in sufficient quantities to meet their needs and food preferences so that they can enjoy an active and healthy life. This definition does not put any emphasis on states' commitments to food production and protection of food producers, but solely on the supply of food, regardless of how it is secured.

Land grabbing, which has expanded considerably since the 2008 food crisis and could be included in this strategy, has for example been a key practice of the Gulf Cooperation Council monarchies. They have acquired hundreds of millions of hectares of land in Asia and Africa, with some of the largest projects located in the Nile Basin in Egypt and Sudan.

These monarchies import as much as 90 percent of their food from farms like these throughout Africa. They have replaced previous landholding structures of many African countries that produced staples for their local markets, with industrial-scale farms producing large-scale cash crops for export. This has devastated farmers' livelihoods, and wrecked small-scale farming.

In the framework of its land grabbing policy and with the objective of strengthening the military's rule in Sudan, the UAE announced [in June 2022](#), that they will invest \$1.6 billion to expand and develop an agricultural project by Abu Dhabi conglomerate IHC and DAL Agriculture in the town of Abu Hamad in northern Sudan. Alfalfa, wheat, cotton, sesame, and other crops will be grown and processed on the 400,000 acres of leased land. A \$450 million, 500 km (310 mile) toll road connecting the project to the port would be built as well, financed by the Abu Dhabi Fund for Development. This project is part of a larger \$6 billion investment package, which includes the building of a new Red Sea port in Sudan.

By contrast, food sovereignty emphasizes the need to support local production and guarantee farmers' rights to decide their own agricultural and food policies. As theorized by the international peasants' social movement, La Via Campesina, [\[3\]](#) and the Declaration of the Forum for Food Sovereignty in Nyéléni in 2007 [\[4\]](#), "food sovereignty" requires that food be a right and not a commodity subject to profitability. It emphasizes the right of food producers to dignified conditions in their lives and work environment, and favors local and regional markets over international ones. Food sovereignty also includes an ecological dimension, calling attention to the need to regulate the relationship between farmers, the soil, and natural resources. This is particularly important as the region has increasingly been affected by extreme temperatures and water stress, which impact the region's capacity to supply local populations, as well as by environmental degradation and exhaustion of natural resources. The past few

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decades of neoliberal policies contributed to and worsened these problems.

Themes related to food sovereignty and an alternative agricultural model of production have been a key demand by different social movements in several MENA countries in the past. In [Morocco](#), for example, in 2018 and 2019, several cities-Casablanca, Rabat, and Tiznit-witnessed relatively significant rallies in which protestors denounced the various attacks by the state on the collective rights to land, forests, rangelands, and mineral wealth.

In the aftermath of the [Egyptian uprising](#) in 2011 and 2012, significant segments of rural communities mobilized to reclaim lands from which they had previously been evicted, in direct continuity with prior processes of land-grabbing and defensive counter-enclosure struggles. There was a strong willingness among these communities for unionization. By 2012 around 200 independent farmers' trade unions had been established, organized into national and local federations.

Similarly in [Tunisia](#), after the overthrow of Dictator Ben Ali in January 2011, over one hundred state farms, which had been transferred to private investors, were the target of attacks by organized groups, resulting in major damages and destruction. Several of these farms were also occupied by farm workers and landless peasants who were condemning their privatization and demanding the authorities to redistribute these farms in their favor.

These examples of struggles represent a challenge to the current economic model of agricultural production and inequality of land ownership, which exacerbates social inequalities and underdevelopment in the region.

In conclusion, the Russian invasion of Ukraine certainly exacerbated, but is not itself the cause of food shortages and insecurity in the region. The underlying cause, which is necessary to appreciate the real consequences caused by the disruptions of war, is the neoliberalization of the region's political economy and its agribusiness in particular. It would be difficult to imagine policies that would make the region more vulnerable to crises in the world food market like that precipitated by the current war.

The task of the left, from Sudan to Egypt and Iran, will be to build a coherent alternative to win food sovereignty that places people's needs and the environment before profit and power. In this context, the [North African Network for Food Sovereignty](#), which represent organizations and associations from several countries of the MENA such as Algeria, Sudan, Tunisia, Egypt, Lebanon and Palestine has, since its establishment in 2017, worked on networking and consolidating militant links with local, regional and international organizations in the struggle for food sovereignty. In addition to this, it encourages and promotes collaboration with associations and trade unions of small scale food producers.

But more than this, it is necessary to build social movements and encourage self-organization from below. The struggles accumulated by the Resistance Committees and the revolutionary movement in Sudan are one of the best regional experiences of organization from below, and can serve as valuable models. They have been able to resist the 2021 October coup d'etat and represent a challenge to military rule, while incorporating land-based struggles and redistribution of wealth, especially land ownership. Building and connecting our struggles is the way forward to challenge the regional and international ruling classes.

July 13, 2022

Source [Spectre](#).



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[1] Biden vowed to turn Saudi Arabia into a "pariah" state during the 2020 election campaign after US intelligence accused Saudi Crown Prince Mohammed bin Salman, known as MBS, of approving the 2018 killing of Saudi opposition journalist Jamal Khashoggi.

[2] <https://openknowledge.worldbank.org/bitstream/handle/10986/37223/CMO-April-2022.pdf>

[3] <https://viacampesina.org/en/food-sovereignty/>

[4] <https://nyeleni.org/spip.php?article290>