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Initiative, a Geneva-based think tank, biofuel subsidies are really "farm programs masquerading as answers to energy insecurity and climate change."[6]

And what is the real price of this subsidy? Two statistics are widely quoted. According to studies by Gary Becker, a Nobel laureate from Chicago, a one-third rise in food prices reduces living standards in poor countries by a fifth. And according to the World Bank, the grain needed to fill up an SUV would feed a person for a year.

What would a more rational biofuels policy look like? The IMF recommends free trade in biofuels while levying a carbon tax on all fuels to reflect emissions costs, and promoting research and development of renewable energy. But the realistic chances of scrapping this farm subsidies program in favour of a more rational policy are perhaps not high during an election year.

It is self-evident that our policymakers will have to manage the adverse impacts of food prices through macroeconomic and microeconomic policies in the short term. It is also clear that agricultural productivity needs to rise to increase food supply in the medium to long term. But agflation is going to continue to pose a problem for us, and the world, so long as American ethanol subsidies and similar interventions that distort the market place remain in effect.

So what should we do?

Our government needs to act through intergovernmental channels. But activists around the world need not wait for the governments. Global campaigns on issues ranging from Aids awareness to the third world debt have changed government policies. The time has now come for one against the ethanol subsidies. The grain needed to fill up an SUV would feed a person for a year -- how can the world conscience not move?

Jyoti Rahman *is an applied macroeconomist and a member of the Drishtipat Writers' Collective.*

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6. Steenblik R., *Biofuels -- at what cost? Government support for ethanol and biodiesel in selected OECD countries*, Global Subsidies Initiative of the International Institute for Sustainable Development, 2007. An alternative perspective can be gained from Tyner W., *Biofuels, energy security and global warming policy interactions*, Purdue University, 2007.