

## THE CONTINUING FOOD CRISIS

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Voices of the South on Globalization is a monthly newsletter intended to inspire a meaningful North-South Dialogue by raising awareness for global interdependences and by offering a forum for voices from the South in the globalization debate. Each edition will present short analyses or commentaries from a Southern perspective on one particular issue of the globalization process.

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### **MORE FOOD SUMMITS, BUT LESS TO EAT**

After two major UN food summits, one in 1996 and the other in 2002, the international community pledged to alleviate hunger and reduce malnutrition. And a world conference on food back in 1974 went one better: it even promised to eradicate hunger "within a decade".

But most of the promises at the three UN talk-fests never came to pass -- despite the fact that the two summit commitments were made by world leaders. With food riots in over 30 countries, and rice and corn shortages in more than 60 countries, a third global summit of over 150 world leaders pledged on June 5 in Rome "urgent and coordinated action" to resolve the ongoing crisis.

UN Secretary-General Ban Ki-moon dramatised the food shortages when he told the Rome summit: "In Liberia recently, I met people who normally would buy rice by the bag. Today, they buy it by the cup."

The resounding cry at the summit was the need to harness the political will of the international community, and specifically the rich nations of the world, to respond to the crisis -- fast.

"If we do not act quickly, the bottom billion (of the world's poorest) will become the bottom two billion, virtually overnight as their purchasing power is cut in half due to a doubling in food and fuel prices," warned Josette Sheeran, executive director of the World Food Programme (WFP), the lead UN agency doling out food aid to the hungry and the starving.

The WFP says it will be providing about 5 billion dollars worth of food aid to nearly 90 million people in 78 countries this year. The list includes some of the countries worst-affected: Haiti, Afghanistan, Somalia, Ethiopia and Kenya.

The three-day summit, hosted by the Rome-based Food and Agriculture Organisation (FAO), was predictable in its outcome: a pious declaration to fight hunger and malnutrition worldwide. But how much of the declaration will eventually be implemented?

Along with the declaration came staggering numbers. As the secretary-general told the summit, there is a need for "substantial new resources" -- perhaps as much as 15 to 20 billion dollars a year to deal with the impact of the global crisis, including about 8 to 10 billion dollars annually to realise the requirements of a "Green Revolution" in Africa.

Anuradha Mittal, executive director of the San Francisco-based Oakland Institute, which has done exhaustive studies on issues relating to food trade and agriculture, told IPS the commitments made at the summit, at first glance, are impressive.

She said calls for immediate action to assist countries affected by the food crisis and policy recommendations, including support for small-scale producers, strengthening social safety nets, development of buffer food stocks and other risk management mechanisms, will be vital for ensuring food security. *(continued on page 6)*

## FOOD CRISIS, AN OPPORTUNITY FOR CHANGE?

Pacific Island governments should not view the global food crisis as a threat but as an opportunity to boost their neglected agricultural sectors, says a professor in development economics. University of the South Pacific academic Biman Prasad says worldwide food shortages and the resulting soaring prices should serve as an impetus for greater investment in agriculture.

"There is a great potential for agriculture provided the support is there to develop better infrastructure and marketing facilities to boost production and exports," Prasad told IPS. "This will help raise rural incomes, contribute to food security and boost exports as well."

While some countries on atolls -- with limited land, water and poor soils -- cannot grow much beyond breadfruit, taro and coconuts, Prasad said that the bigger volcanic countries with rich soils and ample water have real potential in agriculture.

Prasad's comments came amid growing concerns across the region about the impact of escalating food prices -- estimated to be at 30-year highs. The price of staples like wheat and rice has doubled in the past year, worrying many Pacific Island leaders.

The situation has been compounded by the record increase in oil prices. It has placed the small island states in the region in an extremely vulnerable position as food and oil make up the bulk of their imports.

"Fiji is in the same position as other Pacific Island States in that our production levels are so small that we are incapable of dominating any international trading scenario," Fiji's interim Prime Minister Frank Bainimarama told world leaders at the World Food Summit in Rome.

The Secretariat of the Pacific Community issued a statement outlining the challenges faced by the region at the World Food Summit in Rome recently. It said that over the past few decades, Pacific Islanders had become increasingly reliant on imported staples such as rice, flour and noodles, and were thus vulnerable to global price increases. Transport costs associated with importing produce represented a significant proportion of input costs in the Pacific given the distance of most Pacific Islands from major markets, according to the statement.

A recent Asian Development Bank (ADB) report predicted that an additional five percent of people in the Pacific, or some 50,000 people, would slip into poverty because of the high prices.

According to Prasad, the 50,000 figure was rather conservative. He said that in Fiji alone, over 28 percent of the population of 850,000 was estimated to be living in poverty in 2005 -- well before the global food crisis struck. A further 30 percent of the population was considered to be at risk of poverty.

"Fiji is the most developed country in this region, which has been generally depressed in recent years," said Prasad. "Unless Pacific Island governments take action through prudent policy decisions to address this issue, a

significant number of people across the region will be pushed into poverty."

In nations such as Fiji with large tourism sectors, much of the fruits and vegetables were imported when they could be grown locally or at least substituted by local varieties for this market, Prasad said. "With soaring food prices in Australia and New Zealand, countries such as Fiji, Papua New Guinea, Solomon Islands and Vanuatu -- and to a lesser extent Samoa and Tonga -- can grow fruits, vegetables, rice, sugar, ginger, taro and tapioca for export to these countries," Prasad explained.

The priority, added Prasad, should be to create sustainable agricultural production based on an export strategy by identifying those commodities in which Pacific Island countries have a comparative advantage. "This would be a sensible approach. Only this will guarantee sustainability," he stressed.

Domestic development banks and international agencies such as the ADB should now focus assistance on agriculture in the region, Prasad added. "Agriculture-led exports should be the focus for reviving the economy. Food production can boost both domestic consumption and exports if there is surplus production."

Mahendra Chaudhry, Fiji's interim finance minister, also called on the ADB to provide greater focus to agricultural and rural based development in the region. Addressing the ADB's constituency group meeting in Madrid, recently, Chaudhry said that while the areas identified in the ADB's long-term strategic framework strategy were relevant to the development goals of the region, the challenge for developing countries lay in containing inflation fuelled by sharp increases in global food prices and the high price of oil.

"Food security must now take centre stage in the development goals of all developing nations. The bank should, therefore, provide the necessary assistance to its member countries to meet this huge humanitarian challenge both in the short and the long term," he said.

In urging a greater focus on agriculture, the Secretariat of the Pacific Community, said that while significant increases in agricultural production were unlikely in the short term, reductions in import duties and targeted transfers would be necessary to prevent price increases.

In the longer term, Pacific Island governments and donors need to reverse the declining investment in agriculture and recognise the role it plays in safeguarding food security. If nothing, the food crisis has given the region a newfound appreciation of its agricultural produce and the follies of relying on the once easier option of imports. - Shailendra Singh ☑

## HIGH FOOD PRICES HERE FOR ANOTHER FIVE YEARS

Hundred million people worldwide -- mostly from developing countries -- may sink deeper into poverty when food prices continue to rise, the World Bank predicts. "The majority of those affected are living above the poverty line of one dollar a day. They will find themselves below this mark. That is worrisome," said Danny Leipziger, the World Bank's vice president for poverty reduction and economic management, at the Annual Bank Conference on Development Economics (ABCDE).

The meeting, themed "People, Politics, and Globalisation", took place in Cape Town, South Africa, from June 9-11. It was organised by the World Bank and the South African government's treasury department.

Leipziger's prediction comes in spite of the optimistic findings of the World Bank's Global Development Finance report that economic growth in sub-Saharan Africa is due to increase further this year.

One of the findings of the report, launched at the ABCDE conference, is that while global economic growth will slow down from 3.7 percent in 2007 to 2.7 percent this year, various developing regions will see their economies grow.

Sub-Saharan Africa, for instance, is expected to increase economic growth with an average of 6.5 percent by the end of 2008 -- the highest growth rate the region has experienced in 38 years.

Leipziger explained that the "figures in the report apply to the macro economy. Problems such as rising food prices hardly have an impact on a macro-economic level but are visible and noticeable at household level".

The food prices will not continue to rise forever, said Leipziger: "They will drop eventually. According to our estimates it will take four to five years before the situation stabilises. However, that does not mean that the food prices will drop back to the level where they were a few years ago."

The drivers behind the surging food prices are numerous. What makes it difficult to find a solution to the problem is the fact that many of these drivers are interlinked, according to Professor Sheryl Hendriks, director of the African Centre for Food Security at the University of KwaZulu Natal in Durban, South Africa. "The ever-increasing oil prices form part of the causes. When fuel goes up, food prices increase too," she said.

Another cause can be found on the supply side which does not meet the growing demand for food. The cultivation of crops for biofuel is one of the culprits.

"The demand for and production of biofuel are increasing while agricultural production for food is declining. This has an impact on food prices," Justin Lin, chief economist at the World Bank, pointed out.

The subsidies put in place by the European Union and U.S. governments to lure farmers into biofuel production instead of the cultivation of crops for food is not helping the situation, said Lin.

"There is nothing good about these subsidies," added Michael Spence, 2001 Nobel Prize Economics Laureate and the chair of the World Bank's commission on growth.

"The United States and European Union make it more attractive for their farmers to plant crops for fuel instead of for food. "As a result of this, the food supply has decreased and does not meet the demand. This has resulted in higher food prices," he said.

Developing countries - African states included -- are hardest hit by the food crisis. According to Spence, "people in poor countries use a large part of their household income on food. They are the prime victims".

But he emphasised that the situation is not all doom and gloom. "There is a huge opportunity for Africa. This continent is resource-rich compared with other parts of the world. The wealth could be invested in and used for programmes that promote job creation and boost agricultural production."

Lin argued that more was needed. For Africa to increase its agricultural production, new technologies are crucial. This requires infrastructure too.

"New technologies need to be localised and adapted to individual African countries. What works in China or Brazil, does not necessarily work in Africa."

Lesetja Kganyago, director general of the South African government's treasury department, agreed that the introduction of new technologies is important.

But there are other ways to boost African agriculture. "We need to make it attractive to our farmers to produce crops for food. What we should not do, however, is implement protectionist tariff barriers," he insisted.

"We can't use these techniques to protect our farmers and our agricultural industry. We cannot forget that we once fought against the tariffs implemented by Europe and the United States. By using the same tactic (of raising tariffs) we would undermine our attempts to enter the world market," Kganyago argued. - **Miriam Mannak** ☑

## RELATED WEB SITES

- ▶ Food and Agriculture Organisation
- ▶ World Food Programme
- ▶ IAASTD
- ▶ FEWS NET - Famine Early Warning Systems
- ▶ Global Information and Early Warning System
- ▶ Oxfam on Food Aid
- ▶ Food Aid Convention

## ETHIOPIA'S URBAN POOR CANNOT AFFORD TO EAT

Interview with Abera Tola, Director of Oxfam's Horn of Africa regional office



Ethiopia, a nation of 80 million people, has been the site of famine and drought throughout its tumultuous history. Arising from a myriad of causes and often shepherded along by political instability, the country's 1984-85 famine, for example, left over a million dead and served as the impetus for the fund-raising concerts of Live Aid in the United States and the United Kingdom.

Today, Ethiopia once again stands at the brink of a substantial food crisis, with the World Food Program currently estimating that, of Ethiopia's 80 million citizens, 3.4 million will need emergency food relief from July to September.

This is in addition to the 8 million currently receiving assistance.

UNICEF has asserted that the country's food shortage this year is the most severe since 2003, when droughts forced 13.2 million people to seek emergency food aid.

IPS correspondent Michael Deibert talked to Abera Tola, Director of the Horn of Africa Regional Office of Oxfam America.

Q: How is the current food situation in Ethiopia?

ABERA TOLA (AT): We have a food shortage, a drought and a famine, all of which are different things. Nationally, we have a food shortage in Ethiopia, which the drought has also exacerbated.

During the harvest time in January and February, the price of maize was only 180 birr (\$1 is worth roughly ten Ethiopian birr), but now it is 500 birr. And teff (a type of grain used to make Ethiopia's distinctive spongy injera bread), was 400 birr in February, and now it is 1000 birr. Who can afford that? This is the big question now.

If you go to Oxfam program areas, you can see that the farmers are ok, at least they have grain and they have something to eat stored away, they can have a surplus to send to the market. But the most affected in this country are really the urban poor, more than the rural poor. The urban poor have to have an income in order to buy grain, but that income is not there. In the city of Addis Ababa, around 4 million people, more than 80 percent, live on less than \$1 per day. How can they afford food?

We have seen the government effort distributing maize at a lower price, around 300 birr, but we believe that more has to be done to support the poor.

Q: How would you characterize the Ethiopian government's efforts thus far in the face of this crisis?

AT: Some actions taken, such as not allowing export of grain, might have helped. Again, you have some maize and wheat in government stores, which they are distributing. There are efforts, these efforts are really appreciated, but more has to be done. More policies have to come out related to food shortage issues. We have arable land in Ethiopia, but what is not there is investment, particularly in the areas of infrastructure. There are no

roads, no electricity and investors are not willing to go and do farming. investors are not encouraged to come to Ethiopia and engage in the agricultural sector.

Q: Hunger is obviously a recurring theme of life in Ethiopia. What do you think are the underlying, fundamental causes of that?

AT: We have to have good policies, strategies to really tackle poverty in Ethiopia. We are living in an area of cyclical drought and food shortages, every year. Last year, we at Oxfam raised \$3 million, and the year before we raised the same amount of money, and we are doing that with meagre resources. If there was a government strategy that would address the root causes, we would be more than happy to collaborate with the government.

IPS: Why aren't rural farmers producing food the way they did before?

AT: There are a lot of issues within that. They are producing, but a farmer who owns 2 or 3 hectares produces 20 quintals of teff (1 quintal is equivalent to 100 kilograms), as you can imagine the household in Ethiopia is about 6 or 7. To sustain his household the farmer needs more than half of that. What he can bring to the market is about 5 quintals.

Now, he will not bring the whole 5 quintals to the market at the same time because he has to speculate. Of course there are some social factors which push him to sell during the harvest time. He has to pay for his fertilizer, he has to send his children to school and buy uniforms and exercise books, but after that he will try and keep the rest and wait for the market. And thus the price goes up.

Q: What do you think is the greatest developmental issue facing Ethiopia today?

AT: Really, again, the food crisis and, by extension, the energy crisis. We are lucky to have electricity today, but tomorrow we don't expect any. Energy meaning not only oil, but in the rural areas where we have 80% of the population, they are using firewood. There, they have to cut trees, and the deforestation of the country is really alarming, it's at about 30 percent now. There should be a policy to stop it. The poor farmers should be helped to plant trees and rewarded for planting trees. ☑



## CHILDREN'S FUTURE AT STAKE

The spreading food crisis has triggered street demonstrations and riots in over 30 countries including Haiti, Indonesia, Cote d'Ivoire, Mauritania, Mozambique, Senegal, and most recently in Somalia.

The rising prices and the growing shortage of staples - such as wheat, rice, corn, maize and soybeans -- are threatening to push an additional 100 million people into poverty and hunger, increasing the total to about 950 million worldwide.

In view of this critical situation, a high-level UN Task Force on the Global Food Crisis, headed by Secretary-General Ban Ki-moon, is seeking short, medium, and long-term solutions to resolve the problem. The food crisis will also be on the agenda of the G-8 summit meeting of industrialised nations July 7-9 in Hokkaido, Japan.

But one significant aspect of the devastating impact of rising food prices has escaped public attention in the ongoing debate: the damage it can do to most of the world's 2.2 billion children, particularly in developing countries.

"They are likely to be its main victims," says Kul Gautam, a former deputy executive director of the UN children's agency UNICEF. "Remember, 80 percent of the human brain is formed in the first 18 months of a child's life."

And whether a child will grow to live up to his or her full human potential, or the child will be condemned to be a slow learner and poor achiever in life, is largely determined in the first few years of a child's pre-school life.

"The damage caused by malnutrition, infection and poor child care in early childhood often lasts for the whole life, and it cannot be easily reversed later," say Gautam.

A national of Nepal, Gautam is the recipient of the 2008 Audrey Hepburn Humanitarian Award, named after the legendary Hollywood movie star, a onetime UNICEF goodwill ambassador who relentlessly advocated the cause of children worldwide in the early 1990s.

Quoting the former UN High Commissioner for Human Rights Mary Robinson, Gautam said that poverty is the greatest violation of human rights in the world today. And children are the greatest victims of this violation of human rights.

"The time has come for all of us, as Audrey Hepburn would have wished, to consider the fight against child poverty everywhere, in rich as well as in poor countries, not as a matter of charity, but as a matter of human rights, and a foundation for human development," he said, after receiving the award at the annual meeting of the U.S. Fund for UNICEF in Atlanta, in the U.S. state of Georgia.

Gautam told the meeting in Atlanta that much of the progress in poverty alleviation has bypassed the bottom billion people in the world, especially in sub-Saharan Africa and parts of South Asia, who subsist on less than a dollar a day.

Civil wars and conflict, and the HIV/AIDS pandemic have exacerbated the fight against poverty by weakening the economies and social fabric of many countries in Africa.

"And largely because of AIDS and poverty, children in many countries of Africa today can expect to live a shorter life than their parents and grandparents. This has never happened in human history before," he pointed out.

Much of the world's greatest tragedies befalling children are concentrated on the bottom billion people of the world. Gautam said it is this degrading poverty that kills nearly 10 million children every year from causes that are readily preventable. It is poverty that keeps 93 million children out of primary schools, the majority of them girls.

And it is poverty that lands millions of children in child labour, often in hazardous circumstances, when they should be going to school. It is poverty, debt and unemployment that lead desperate parents to even sell their vital organs like kidneys through unscrupulous middlemen to provide for their children.

"And when all else fails, parents are even forced to abandon their children, sell them to brothels, and work in slave-like conditions," he added.

Still, there is brighter side to the plight of children worldwide. As a former UNICEF executive director, the late Jim Grant, once remarked, there has been more progress for children in the last 50 years -- during the second half of the 20th century -- than perhaps in the previous 500 years.

Gautam said that 20 million children used to die in the world annually in the 1960s. Although world population has doubled since then, the number of child deaths has been halved, to less than 10 million per year. "This is 10 million too many deaths, but a huge progress nevertheless," he added.

"I recall in my home country of Nepal, one of the poorest countries in the world, the child death rate has been reduced by more than 50 percent in the last decade in spite of a terrible civil war that has caused many civilian deaths and destruction."

The deadly disease smallpox used to kill 5 million people a year during Audrey Hepburn's childhood, he said. But it was completely eradicated during her lifetime. Hepburn died in 1993. Polio which used to cripple millions is on the brink of eradication. Deaths due to measles, one of the biggest killers of children, declined by 90 percent in Africa in the last seven years. ☑

Note: This article is based on a report by Thalif Deen that was carried by IPS on June 19. The original report is available at <http://www.ipsnews.net/news.asp?idnews=42888>.

## MEXICO'S MEASURES CALLED INEFFECTIVE | MORE FOOD SUMMITS, BUT LESS TO EAT

By Diego Cevallos

(continued from page 1)

Observers in Mexico say the price freezes announced by the government for more than 150 food products are deceptive and could even foment unhealthy eating habits. The price caps, which were agreed with industry and announced Wednesday, will remain in place until the end of the year. They were described by President Felipe Calderón as "an enormous contribution" towards alleviating the impact of the global food crisis.

But spokespersons for social organisations and academics expressed disappointment with the measure. The products whose prices will remain unchanged through December are all processed foods that are not staples in the local diet. Furthermore, as business leaders have acknowledged, an announcement that the products would not experience price hikes this year had already been planned.

The list is headed by a number of brands of canned foods high in sodium; mayonnaise; marmalade; tea; powdered soups; and brands of juice and jello with a high sugar content. The only high-demand, staple product included in the group is cooking oil, but its price will only be frozen until the end of August.

This is not a serious measure, Alejandro Calvillo, head of the consumer protection group Poder del Consumidor, told IPS. A major problem in Mexico is obesity linked to eating habits, as more and more processed foods are incorporated in the diet, and the price freezes actually aggravate that phenomenon, he said.

Price controls are necessary to confront the effects of the food crisis, said the activist. But he argued that the policy should target staple foods, and said the government should help orient families with respect to eating healthy diets.

In Mexico, one of every four children is overweight, as well as one out of three adolescents and seven out of 10 adults. Mexico is now the second most obese country in the world, after the United States.

Isaac Katz, an economist at the Autonomous Technological Institute of Mexico, said the price freeze agreement is misleading and will only have a minor impact. The list of products announced "is ridiculous," Katz said, noting that it includes 17 kinds of canned chili peppers, 33 kinds of processed juices, 15 brands of tea, and at least four kinds of canned tuna and sardines -- none of which form an important part of the local diet, he said.

The most widely consumed food products in Mexico are, in descending order, corn tortillas, tomatoes, eggs, soft drinks, milk, beans, onions and potatoes, according to surveys carried out by the National Institute of Geography and Statistics.

The price caps will not modify the food situation in Mexico, which fortunately is not at a critical level, he said. ☑

At the same time, medium- and long-term recommendations, urging governments to embrace a people-centred policy framework for agriculture, are also geared towards ensuring food security, she added.

Mittal said the current food price crisis and growing hunger demands a new agricultural and food system that is about feeding communities instead of commodities to be traded in international markets.

This will require that Third World countries have the necessary policy space to adopt measures that will ensure food sovereignty.

She said it will also require space for the FAO and the International Fund for Agricultural Development (IFAD) to operate with budgets that can ensure the fulfilment of their mandate.

### Break away from ill advised policies

"It will require the ability of Third World countries to break away from ill advised policies of the international financial institutions," Mittal said.

"And it is about creating an agricultural system that is based around small farmers, farm workers, fisherfolks and indigenous communities who are the best stewards of the land and the ones to ensure food sovereignty and self-sufficiency of nations," she argued.

Ban said the international system is already contributing to immediate needs.

The FAO has called for 1.7 billion dollars in new funding to provide low-income countries with seeds and other agricultural support.

The WFP has raised the additional 755 million dollars it needs, mostly from Saudi Arabia, to meet existing commitments this year. IFAD is giving an additional 200 million dollars to poor farmers in the most affected countries.

And the World Bank has established a new 1.2 billion dollar rapid financing facility to address immediate needs and boost food production, including 200 million dollars in grants targeted at the world's poorest nations.

The United Nations itself has set aside a reserve of 100 million dollars from its Central Emergency Response Fund (CERF) to help fund new humanitarian needs arising from soaring food prices.

Meanwhile, the summit declaration also says that members of the World Trade Organisation (WTO) reaffirmed their commitment to the "rapid and successful conclusion" of the WTO Doha Development Agenda, that would include strengthening the trading capacity of developing nations. - Thalif Deen ☑