Worldwide Food Shortages: The Rich Have Already Eaten

A combination of factors, including global warming, using crops for bio-fuels and increased meat consumption, are responsible for a rise in food prices around the world. Some of the most vulnerable people in the world are suffering and Rene Wadlow looks at proposals before a UN Committee that is addressing the problem.

by Rene Wadlow

"Since the hungry billion in the world community believe that we can all eat if we set our common house in order, they believe also that it is unjust that some men die because it is too much trouble to arrange for them to live."

-Stringfellow Barr, Citizens of the World (1952)

Food riots in Haiti brought the issue of hunger to the front gates of Haiti’s presidential palace and death to a United Nations peacekeeper from Nigeria who was shot by the crowd surging from a slum area of Port-au-Prince. The Prime Minister, Jacques-Edouard Alexis, was forced to resign for having failed to act despite sharp increases in the price of food over the past several months, pushing people who are already poor into deeper poverty.

The President of Haiti, René Préval, who was trained as an agronomist and should have recognized the consequences of food shortages earlier, nevertheless, promised to use foreign funds originally destined for development projects to lower the price of rice. This short-range policy can mean the difference between eating and going hungry for many families.

"The Rich Have Already Eaten" was a phrase from Rev. Andres Giron, a Guatemalan priest, leader of the National Peasant Association for Land, used as the title of a hard-hitting study of agricultural conditions in Central America by Solon Barraclough and Michael Scott (1). They analysed the issues of land tenure, agricultural production, and food security, demonstrating how the vast majority of the rural population of Central America had been dominated, exploited and deprived of any voice in government by a small minority of oligarchs and military officers. Thus hunger is a sign of a political struggle for social justice and reform and should not be looked at as only a question of agricultural production and distribution.

The politically-destabilizing aspect of higher food prices and the food riots has pushed the issue of food costs to the top of the agenda of UN Agencies. There will be a top-level meeting of the heads of UN Agencies such as the Food and Agriculture Organization (FAO) and the UN World Food Programme (WFP) with the UN Secretary-General Ban Ki-moon in Switzerland 28-29 April. The President of the World Bank, Robert Zoellick, and the Managing Director of the IMF, Dominique Strauss-Kahn, who have already had to discuss food prices at their annual meeting in Washington, will be there.

Rising food prices are a global concern and have led to riots against high food prices in a number of countries such as Egypt, Senegal and Cameroon. Using government funds to lower food prices can only be a short-term policy. Egypt already spends more on subsidies, including gasoline and bread, than on education and health combined. The United Nations food specialists indicate serious food shortages in many countries of Africa. In East and Southern Africa : Lesotho, Swaziland, Zimbabwe, Somalia, Mozambique, and Eritrea. In West Africa: Mauritania, Senegal, Liberia, Sierre Leone, Ivory Coast, Burkina Faso, and Cameroon. There are serious food shortages in war-torn Afghanistan and Iraq and chronic food shortages in North Korea. The Somalis, who live largely thanks to the UN’s World Food Program, are under serious threat as the high price of rice and other grains cut into the WFP budget and increased violence makes food delivery difficult. The same is true of the refugee and internally displaced camps of the Darfur conflict.

Governments and the UN system had grown complacent, believing that food security mechanisms had been put into place and that the dangers of large-scale famine had been permanently banished. The food riots of these days indicate that important weaknesses in food security policies remain. The world civil society must now become more active in placing food policy at the center of the world agenda.

The late 1940s, as the world started to recover from the Second World War, had been a time when hunger was the key symbol of underdevelopment. Lord John Boyd Orr as the first Director General of the Food and Agriculture Organization and Josué de Castro, who served as the independent Chairman of the FAO Council, were both leaders in calling attention to world hunger and the need for strong governmental action to provide food security. In 1946, Boyd Orr presented a proposal for a World Food Board which would be endowed with sufficient authority and funds to stabilize the world market in food. He pointed out that several countries were already doing this for the domestic market but that the world market was subject to violent fluctuations. The plan for a world food board was rejected following the lead of the

US delegate who said "Governments are unlikely to place large funds needed for financing such a plan in the hands of an international agency over whose operations and price policy they would have little direct control." (2). The FAO did encourage governments to develop national food security policies, but these were often overshadowed by the desire to make money through international trade of food.

In 1974, the United Nations and the FAO organized in Rome the World Food Conference whose final appeal stated that greater food production and improved nutrition was the unremitting, paramount and increasingly urgent problem of our time.

Despite the fact that millions of peasants, landless laborers and urban dwellers suffer from hunger and malnutrition, the issue of food production, distribution and costs had fallen off the world agenda except for specialists. Occasionally questions of export subsidies of agricultural products or production quotas would be taken up by the World Trade Organization or in the all-night negotiations of the Agriculture Ministers of the European Union, but the complexity of the issues and the political power of the large farm association in the USA and Western Europe kept agricultural policies outside active political debate. Now, food riots are bringing to light the fact that a true world food program requires action at the world, the regional, the national, and the local level. There are at least five issues that need to be analyzed at the April 28-29 UN meeting for the start of a world food policy to be put into place.

1. There is a need to intensify action on climate change. This year, there has been bad weather in key growing areas; in particular Australia, normally the world’s second-largest wheat exporter, has been suffering from an epic drought. This may be a result of particular weather conditions this year or may be a sign of climate change. It is necessary to analyse the impact of climate change on long-term food production and see alternative strategies.

2. Higher prices for food are a reflection of the higher price of oil and energy costs. Much modern farming is energy-intensive for producing fertilizers, running tractors, and transporting farm products to consumers, often at long distances. Oil prices are influenced by the violence and social breakdown in Iraq and heavy speculation on the oil markets. There is a need both for short term measures to bring oil prices down to a reasonable level based on production costs and transportation as well as longer-range energy policies to free countries from oil dependence.

3. Higher prices for oil have encouraged a greater use of ethanol and other biofuels, often without consideration of the impact of the production of biofuels on land use and food production. While biofuels are likely to be useful, their use should be limited at present so that the consequences of their use can be studied.

4. Governmental food and agriculture policies need to be analysed and reviewed carefully. The agricultural policies of the European Union and the larger food exporting countries —USA, Canada, Brazil, Australia — need to be reviewed and the impact of agricultural subsidies and export encouragement looked at beyond trying to build political support from farmers.

5. There needs to be a detailed analysis of the role of speculation in the rise of commodity prices. There has been a merger of the former Chicago Mercantile Exchange and the Chicago Board of Trade to become the CME Group Market which deals in some 25 agricultural commodities. Banks and hedger funds, having lost money in the real estate mortgage packages are now looking for ways to get money back. For the moment, there is little governmental regulation of this speculation. There needs to be an analysis of these financial flows and their impact on the price of grains.

The April 28-29 high-level meeting of the UN system is an important opportunity to set out such an agenda for analysis and action, but it must be followed up by the UN, national governments and civil society organizations. Notes, Further Reading

1. Solon Barraclough and Michael Scott. The Rich Have Already Eaten: Roots of Catastrophe in Central America (Amsterdam: Transnational Institute, 1987, 109pp.)

2. For an analysis of Boyd Orr’s proposal see Ross Tabot The Four World Food Agencies in Rome (Ames: Iowa State University Press, 1990, 188 pp.)

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