



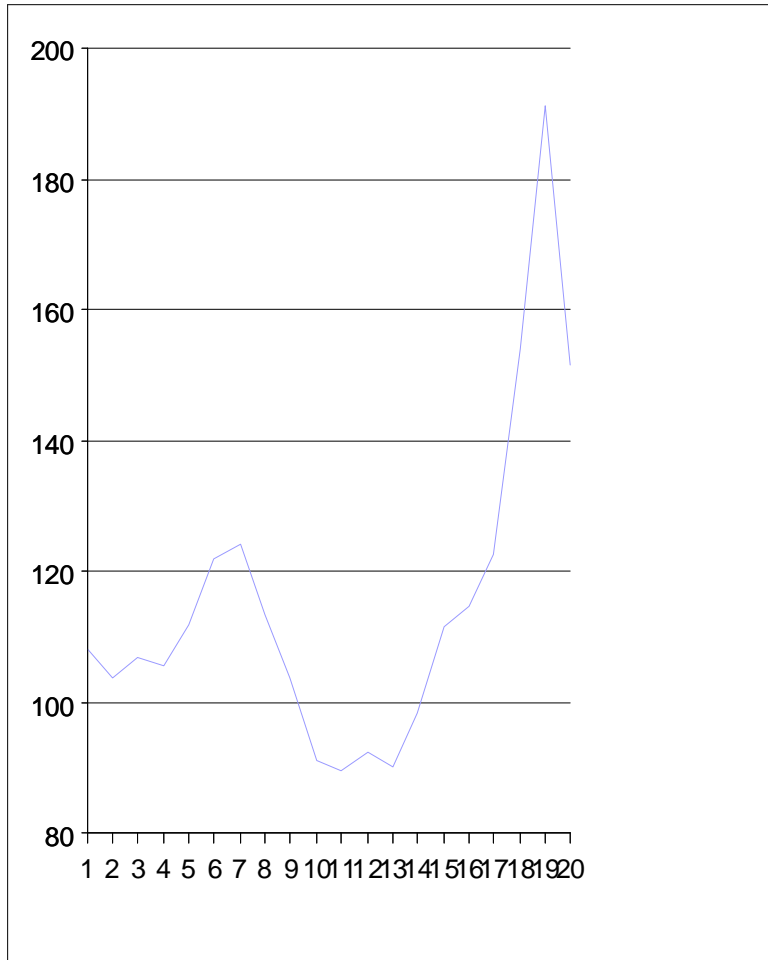
Over 1 Billion NOT Served:

The Global Economic Crisis and Food Governance

© Jennifer Clapp, June 3, 2010

Presented at: Waterloo Region Food System Roundtable Meeting

2008 Global Food Crisis

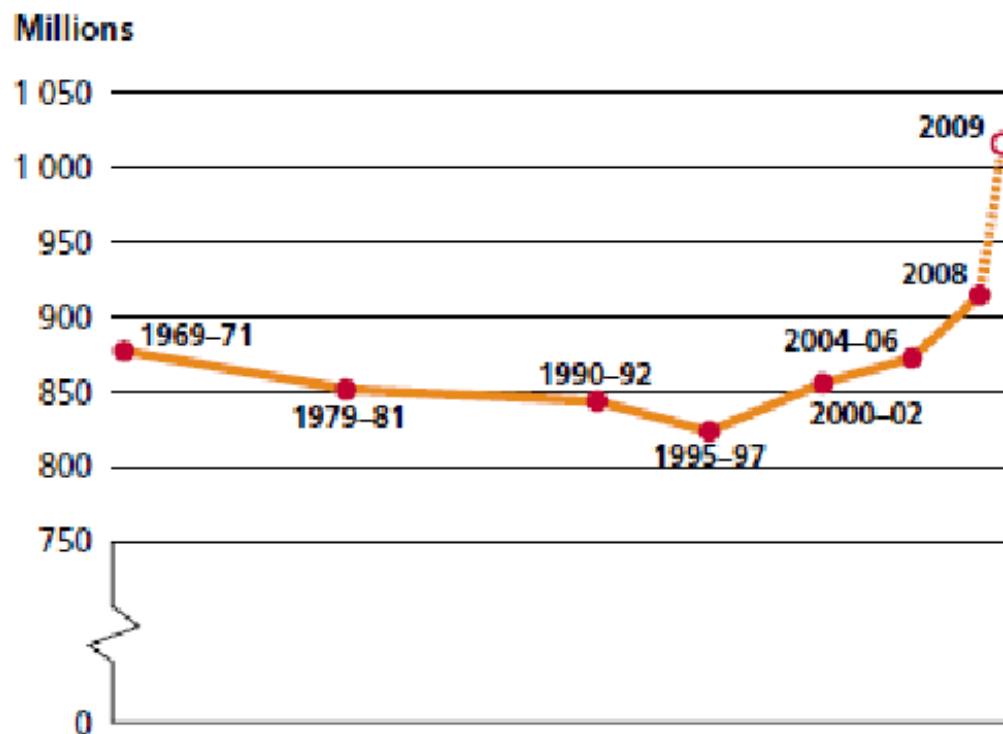


Haiti: Food Riots 2008



Hunger on the Rise...

Learning from the past: number of undernourished in the world, 1969-71 to 2009



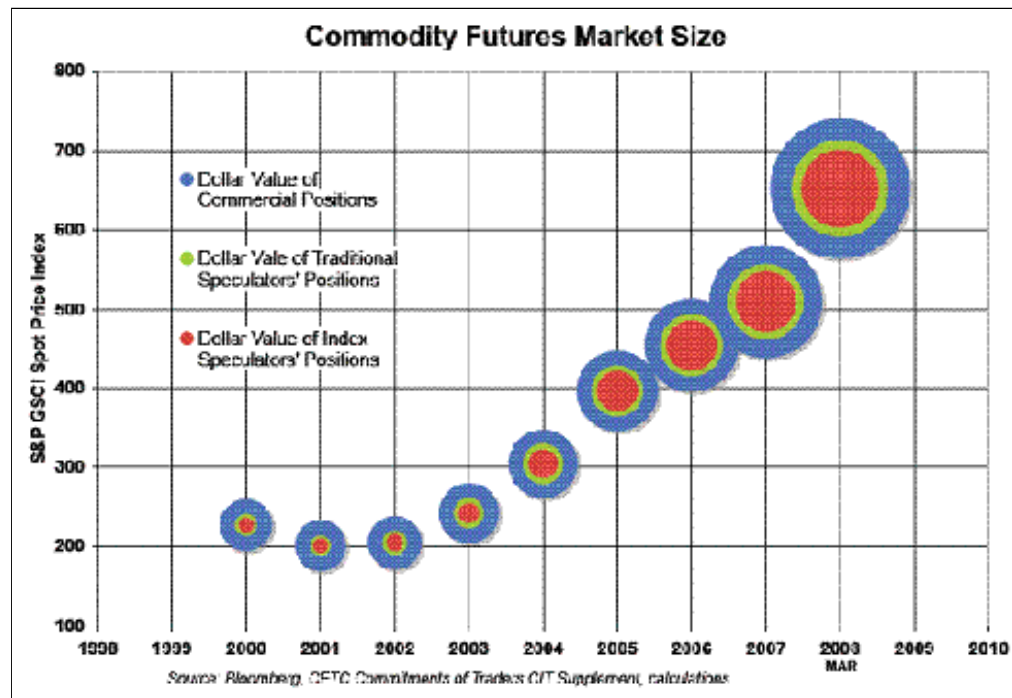
Source: FAO.

Key Points:

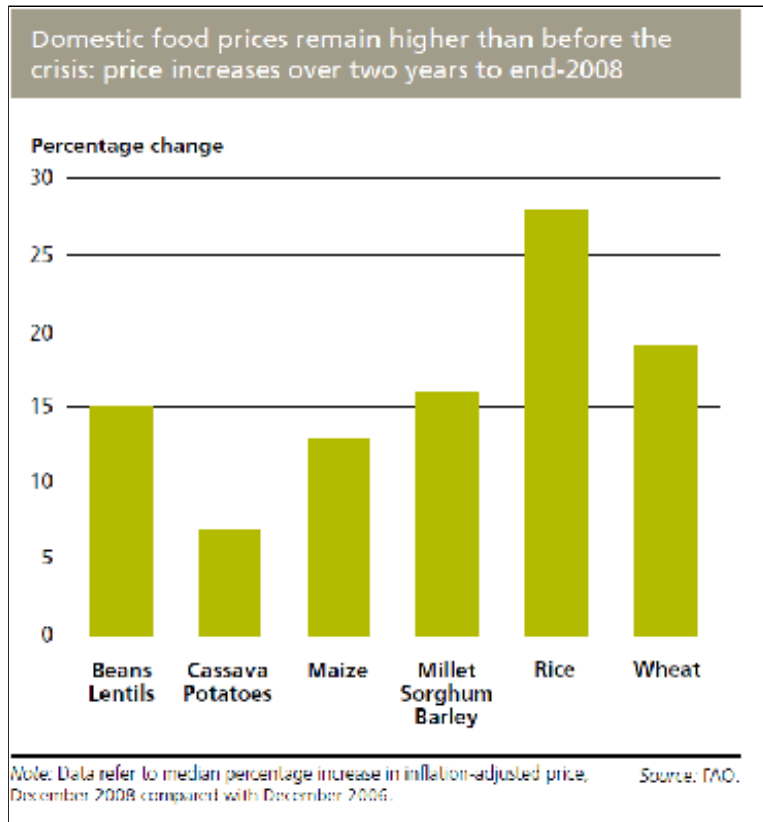
- Short term challenges – some agreement on the cause, but disagreement on solutions
- Long term challenges – causes and solutions are both hotly debated, but global governance response has focused largely on one solution
- How can the hungry 1bn be better served? Wider range of measures needed than is currently on the agenda



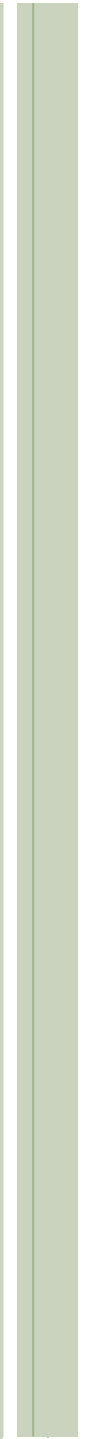
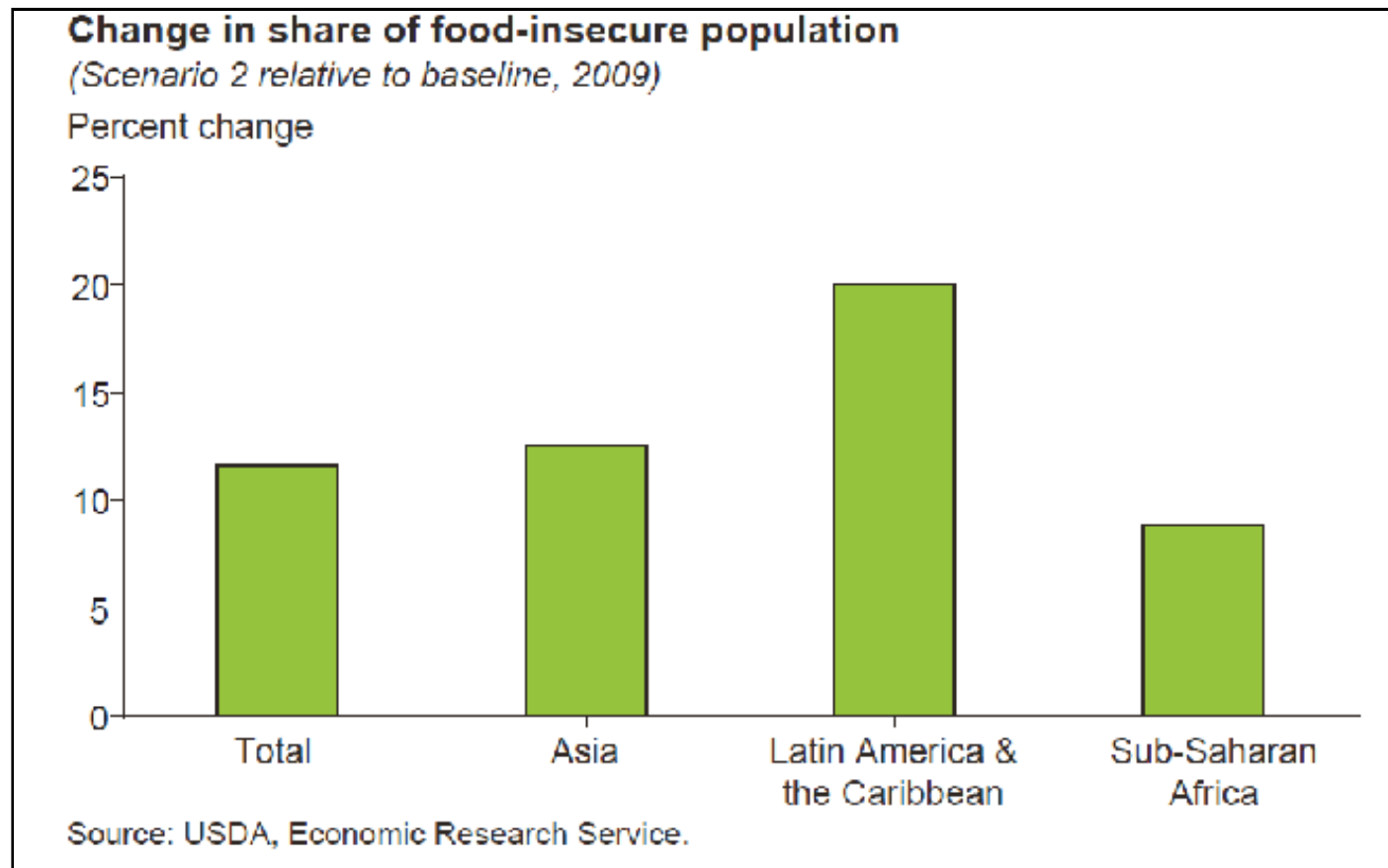
Short Term Challenge 1: Financial Speculation and Food Price Volatility



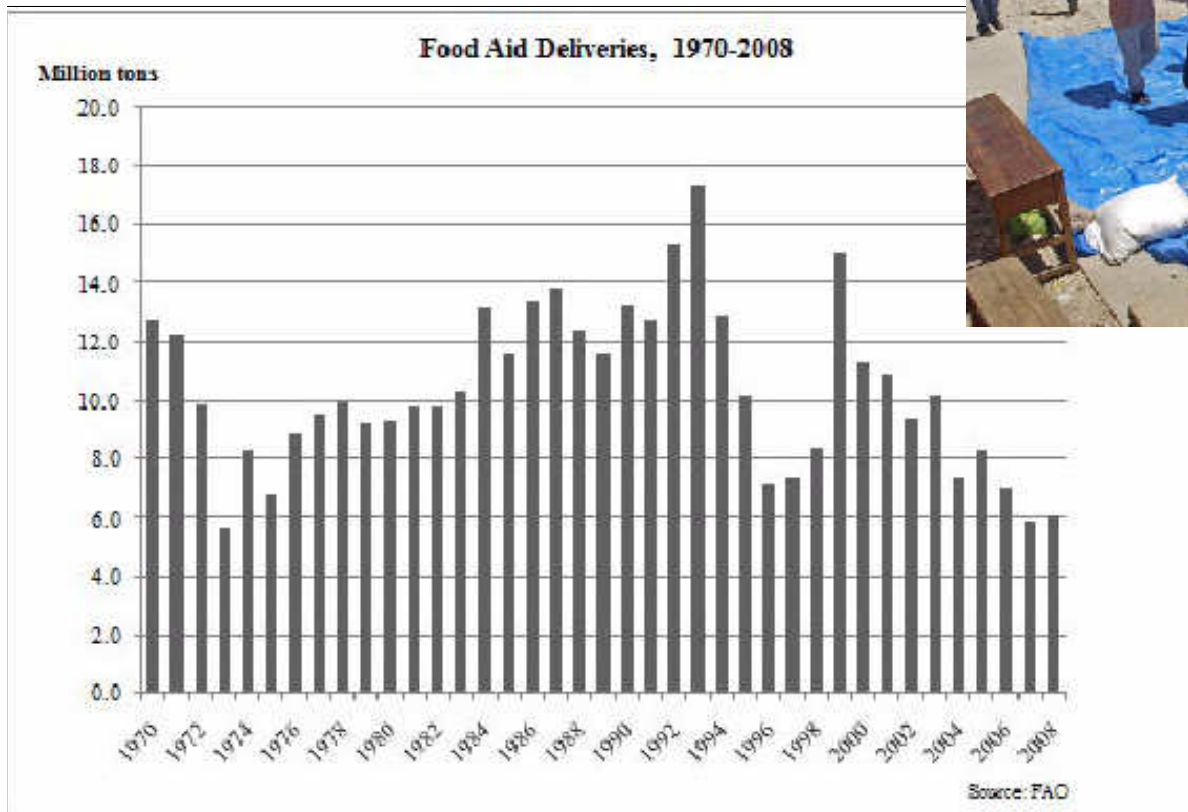
Short Term Challenge 2: Food Prices Have Remained High in Poor Countries During the Economic Crisis



Impact of the Financial Crisis on Food Insecurity



Short Term Challenge 3: Difficulty Meeting Food Aid Needs

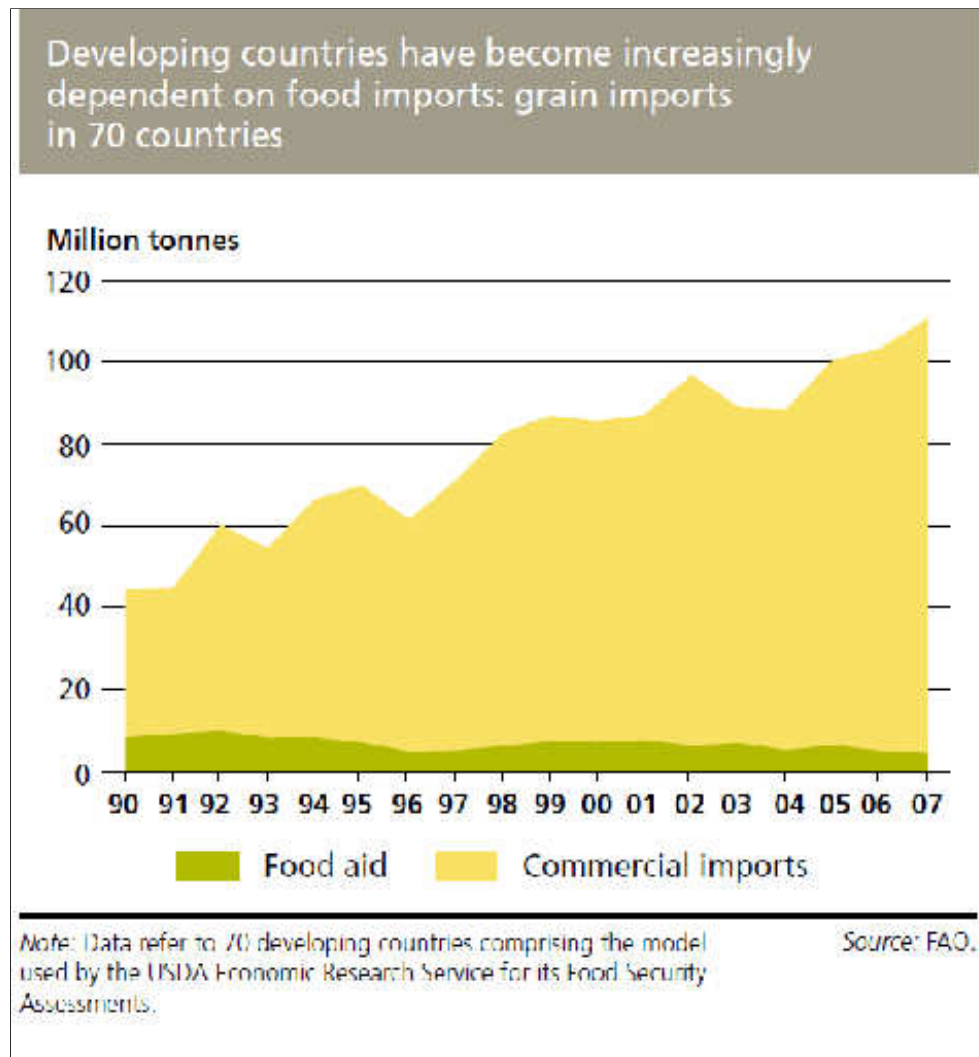


International Governance Responses to Short Term Challenges

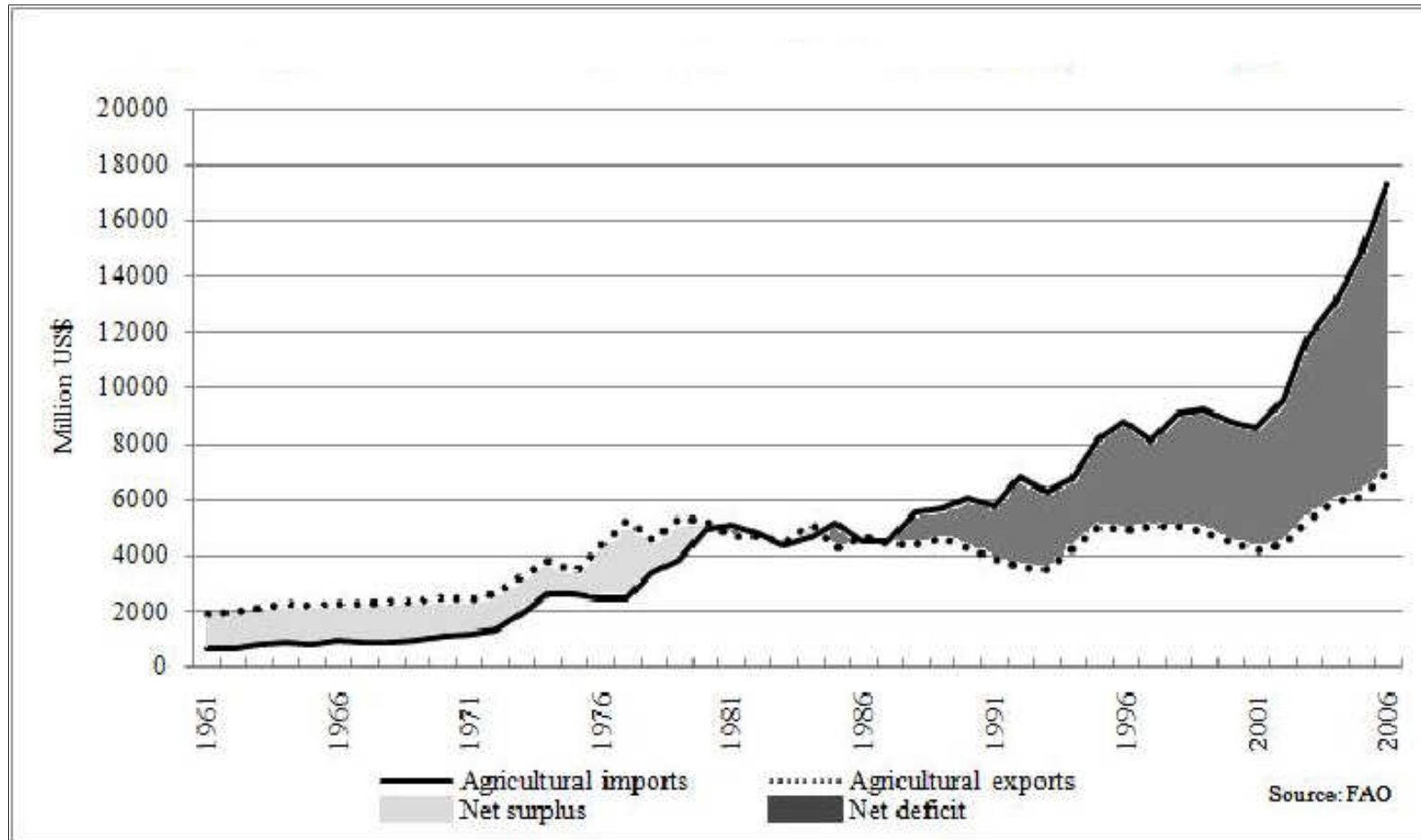
- Growing agreement that financial speculation is an issue
 - ...but disagreements on how to respond
- Food Aid Convention due for renegotiation
 - ...but some issues are unlikely to be resolved soon



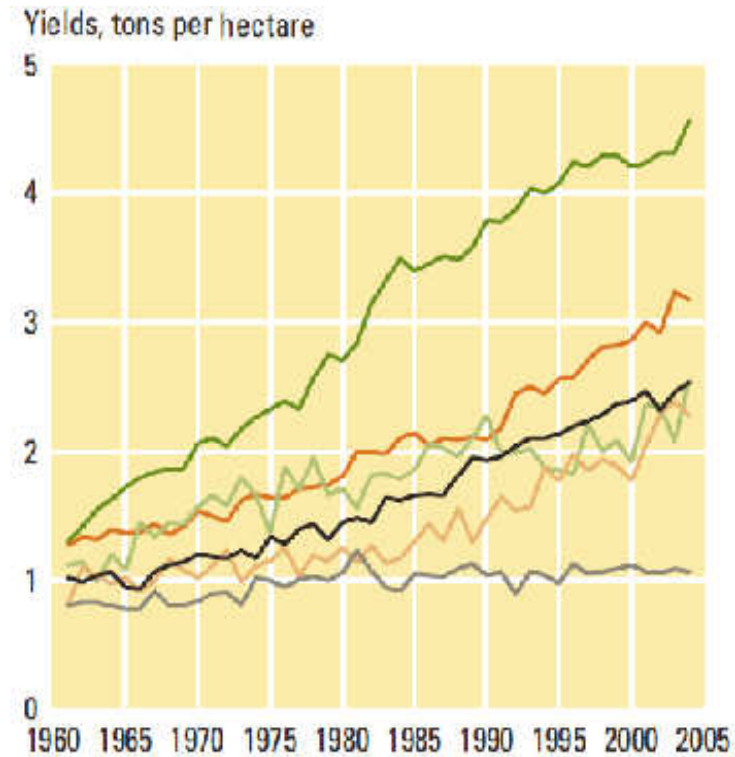
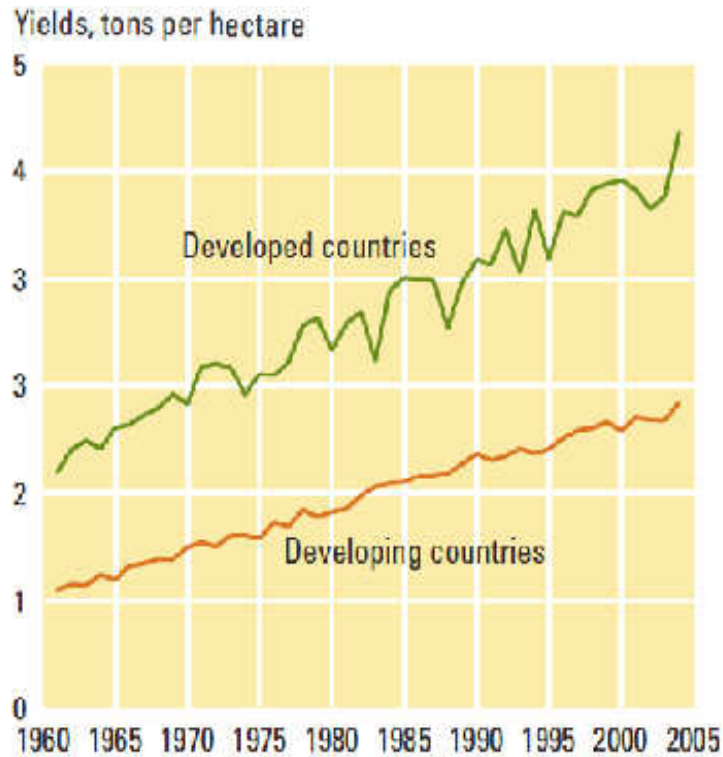
Long Term Problem 1: Increased Dependence on Food Imports in the World's Poorest Countries



Agricultural Trade Balance of Least Developed Countries, 1961-2006



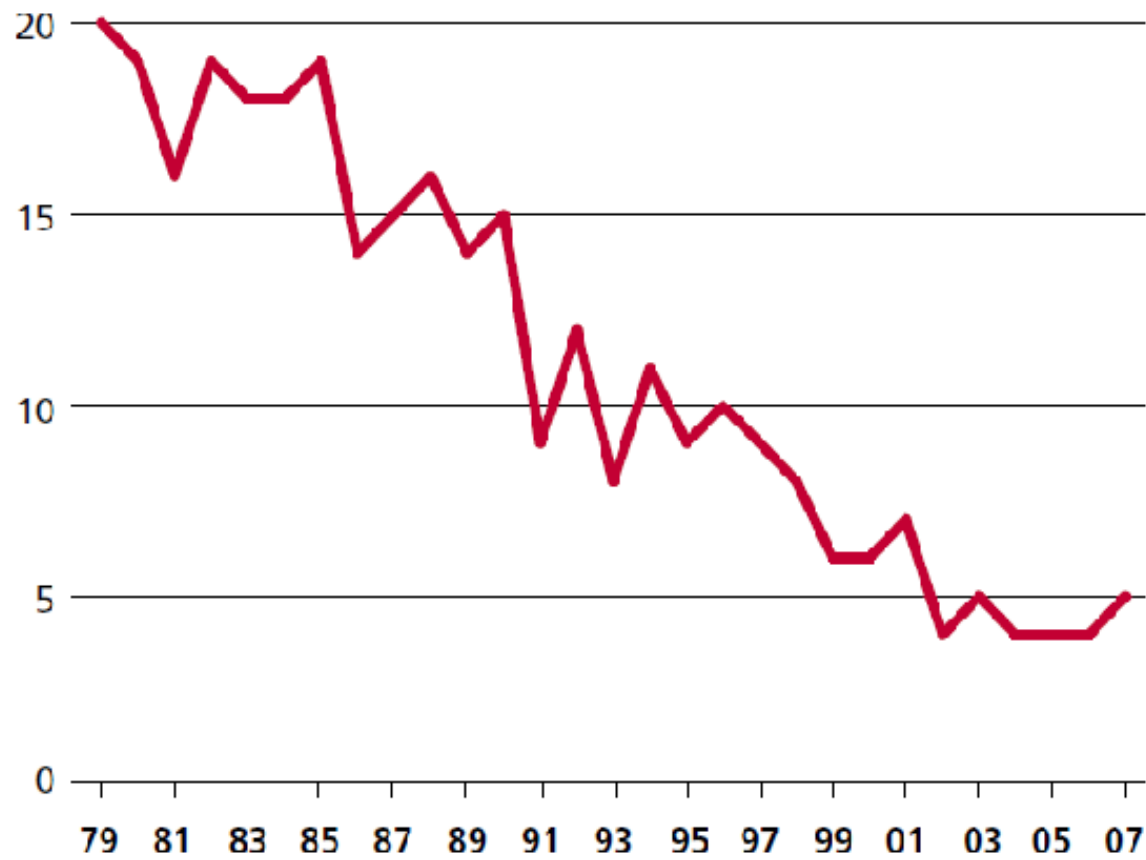
Long Term Problem 2: Lagging Agricultural Productivity in the World's Poorest Countries



Source: FAO 2006a.

Aid for agriculture has declined

Share of ODA for agriculture (percent)



Note: ODA = official development assistance.

Source: OFCD.

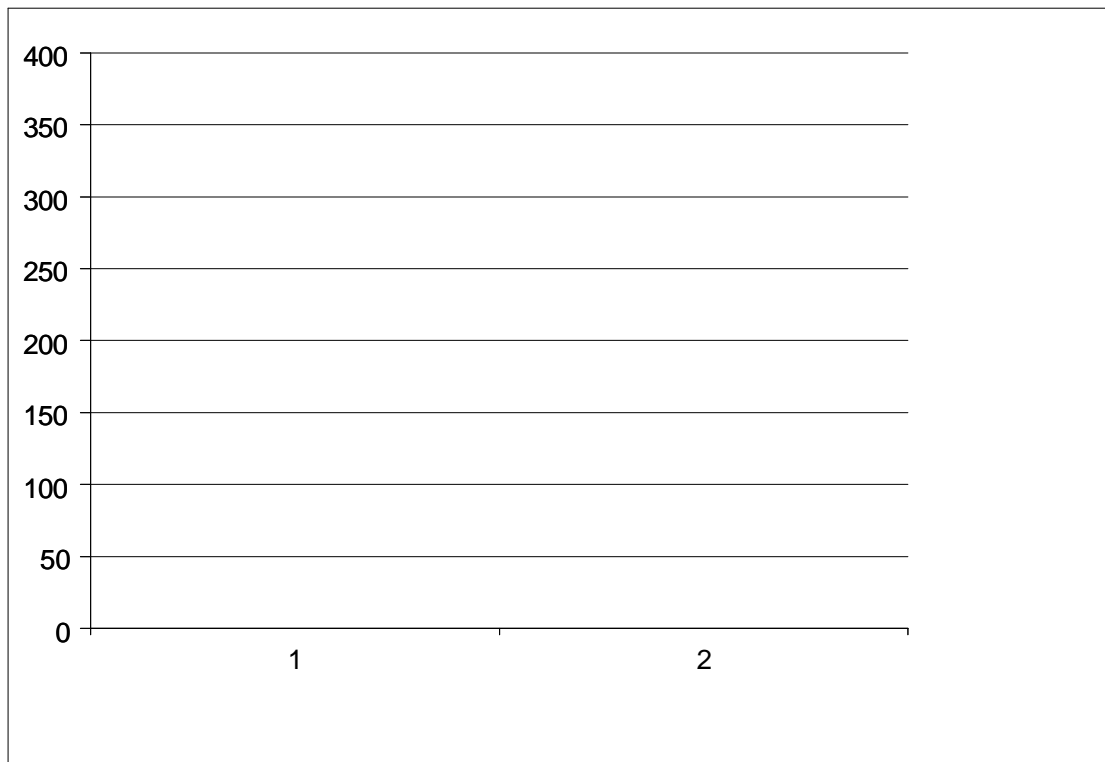
Some Argue...

- The productivity lag is because the poorest developing countries have not adopted the latest technologies that would increase crop yields
- And market infrastructure is weak



But Others Say...

- The problem is linked to unfair global trade practices
- Rich country subsidies mean world markets are flooded with cheap food – harming production incentives for farmers in poor countries



Trade Inequities Have Been A Major Source of Contention for Poor Country Farmers...



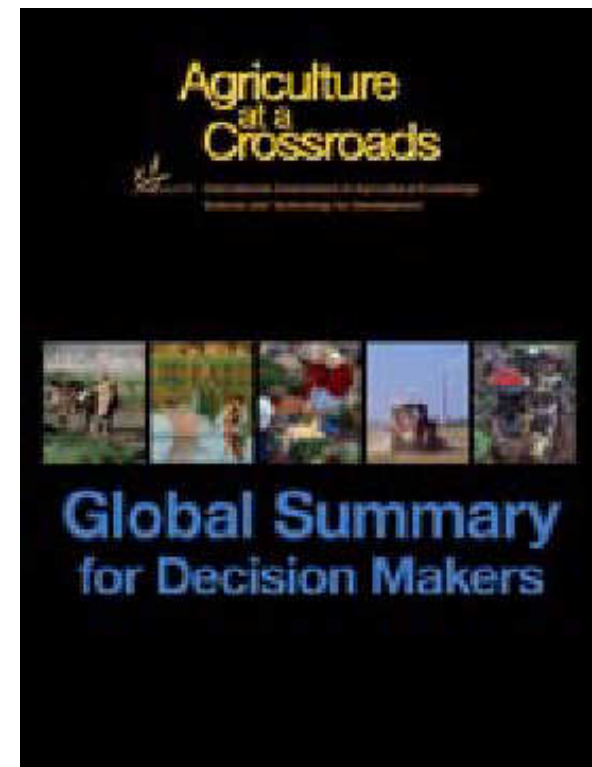
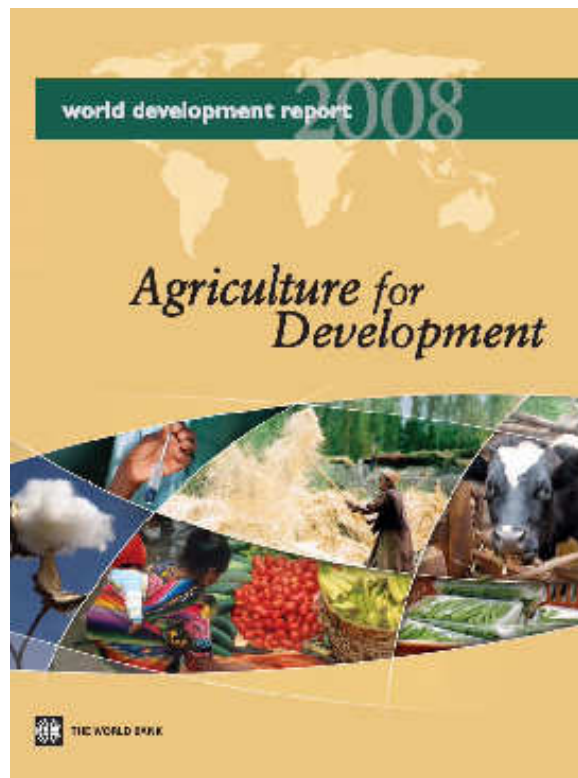
International Governance Responses to Long Term Challenges

- Widely differing viewpoints on both productivity and trade:

World Bank

vs.

IAASTD



World Bank Perspective:

- Agricultural biotechnology promises to improve productivity
- Further liberalization of agricultural trade will help farmers to improve incomes



IAASTD and other Critics Argue

- Agroecological methods can have equal or better results with fewer risks
- Invest in *local* food systems to foster resilience and rely less on international trade (food sovereignty)



In 2009, G8/G20 Agree to Invest in Global Agriculture and Food Security Program

\$20 bn Trust Fund for Agriculture to be Housed in the World Bank....



Explicit Focus of the Program is to Invest in New Technologies to Increase Productivity...

How the Hungry Billion Might Be Better Served:

- The G8/G20 has only agreed to a one-track solution
- Multiple responses are needed, beyond investment in new technology



G8 Agriculture Ministers
brief the press (2009)



The G8/G20 Could:

- Incorporate food security considerations in financial reforms
- Endorse strong reform for the Food Aid Convention
- Act on commitment to conclude a truly balanced Doha Round
- Take a wider approach to boost productivity in poor countries

