THE PANOS INSTITUTE

DAKAR KAMPALA KATHMANDU LONDON LUSAKA PARIS WASHINGTON

Food for all

Can hunger be halved?



In 1996 the world's governments agreed to cut world hunger in half by the year 2015. But today there are still nearly 800 million people—one in seven of the world's population—who go hungry every day. Over 140,000 people die from hunger-related diseases each week. "In a world of unprecedented wealth" says the United Nation's Food and Agriculture Organisation, "such levels of need are disgraceful".

As delegates gather for the Food Summit + Five, this report examines the reasons why we are not making more progress towards halving hunger. It outlines who the undernourished people of the world are, and where they live. It looks at the links between hunger and poverty, and examines the successes and failures of different kinds of agriculture in increasing food production to the levels needed. What effects have globalisation and international agreements made in the World Trade Organisation and other fora had on reducing hunger in the world today? And how can more progress be made?

Although the number of people suffering from chronic hunger is falling by about eight million a year, this is less than half the rate needed to reach the target. In 1996 the world's governments called for "urgent, determined and concerted action". The Summit + Five must go beyond rhetoric to action. Hungry people cannot wait another 15 years.



P A N O S

THE PANOS INSTITUTE, LONDON, 9 White Lion Street, London N1 9PD Tel: +44 (0)20 7278 1111 Fax: +44 (0)20 7278 0345

E-Mail: panos@panoslondon.org.uk Web site: http://www.panos.org.uk

Registered Charity Number: 297366

Embargoed for 00.01 hours GMT, Monday 5 November 2001

Newspegs: World Food Summit +5, November, 5-9, Italy

World Trade Organisation Meeting, 9-13 November, Doha, Qatar

28 September 2001

New Report Questions Whether Free Trade Helps Get Food to the World's Poor and Hungry

As the World Food Summit +5 opens, a new report launched today by the Panos Institute examines why there are still nearly 800 million people in the world suffering from chronic hunger and argues that existing trade agreements may be undermining the poorest countries' efforts to boost rural development and reduce poverty and hunger.

The report, Food for All: Can Hunger Be Halved?, looks at the barriers to providing enough food for each person in the world. It points out that although food production overall has risen in the past few decades, the rate of increase is levelling off and growing the extra food that is needed over the next few decades will be a severe challenge, as there is little additional land and water available. There is increasing consensus that most hungry people are hungry because of poverty, not because too little food has been produced, and the report asks whether trade liberalisation is helping or hindering the world in feeding its people.

"Even the most enthusiastic proponents of free trade now acknowledge that liberalisation often increases poverty for the poor and undermines the possibility of sustainable development," says the report's author, John Madeley. "Free-trade supporters still hold that liberalisation stimulates economic growth and raises standards overall, but they recognise that it is increasing the gap between rich and poor."

The economic case for trade liberalisation is that it leads to efficient allocation of resources, with food being produced at the lowest cost. But several studies have shown that consumers gain from cheap imported food only if they first have the money to buy it. For local food-producers, cheap imports compete with and undermine their own production, driving many of them into poverty. In the words of a Sri Lankan activist, free trade is like "putting the rabbit and tiger in the same cage."

In 1996, around 840 million people (or nearly one in seven of the world's population) were estimated to lack access to the food they need for adequate and regular nourishment. This

Panos - Food For All Page 1

constituted 18 per cent of the population in developing countries and 34 per cent of the population in Africa. During that year, at the World Food Summit, 186 governments pledged to reduce by half the number of under-nourished people in the world by 2015.

Today, as governments gather for a five-year review of progress, that target is far from being met. The number of hungry people is falling by about eight million a year, but this is less than half the rate (20 million a year) needed. Experts say that unless extra efforts are made to accelerate progress, the target will not be achieved before 2030 - 15 years late.

Food production has increased overall, but not in many of the places where the majority of hungry and poor people live. One solution is to increase the food production, and income, of the poor themselves.

But many representatives of developing countries and the rural poor question whether further trade liberalisation will help or hinder countries' efforts to do this. Peasant farmers' organisations from southeast Asia meeting in Bangkok in August 2001 to prepare a statement for the Summit, pronounced: "We realise that the common problems that we have are spawned by neo-liberal globalisation, which further worsens global hunger. It has devastated the livelihoods of millions of peasants, and woman peasants, as a result of policies most particularly of agricultural trade and financial liberalisation, deregulation and privatisation."

Further liberalisation – of trade in general and of trade in agricultural products in particular – will be discussed at the Ministerial meeting of the World Trade Organisation (WTO). Many developing countries fear that further liberalisation will further disadvantage them in the world economy. They are not encouraged by the fact that the WTO's Agreement on Agriculture, intended to reduce state intervention in agricultural trade and prices, has so far not succeeded in reducing subsidies paid to farmers in most rich countries. Instead, they argue, it has tipped the balance of world trade further against developing countries.

"Our farmers were never told what the WTO is, and don't see any benefit at all," says Emma Candawa, representative of the 50,000 strong Union of Smallholder Farmers of Malawi. "On the contrary, export subsidies are subsidising farmers in Europe who are exporting their foodstuffs to Malawi. The food from Europe is very cheap and puts us in a very bad situation. Our farmers are worse off, much worse off than before. Either the WTO changes or it should get out of our area."

Many developing countries will not discuss further liberalisation measures until they are satisfied that real steps are being taken to rectify the imbalances they feel are built into trade agreements. The eradication of hunger, they say, has not been given the priority it deserves. Such arguments scuppered the WTO talks in Seattle in 1999, and could lead to heated debates at November's conferences.

- Ends -

For further information or to interview the report's author, John Madeley, contact Mark Covey on Tel +44 (0)20 7239 7622 (office) Tel +44 (0)20 8960 1282 (home) Mob +44 07941 286338 or email markc@panoslondon.org.uk

Kitty Warnock, director of Panos' Environment Programme, can be reached on Tel (+44) (0)20 7239 7603 (office/voicemail) or email <u>kittyw@panoslondon.org.uk</u> (from November 1st)

Please send copies of any articles based on this release or report to Mark Covey, Media & Communications Officer, Panos, 9 White Lion Street, London N1 9PD, United Kingdom.

Printed copies of *Food for All: Can Hunger Be Halved*? can be ordered from the Panos Institute or downloaded from www.panos.org.uk as a pdf file.

The Panos Institute exists to stimulate public debate on global change and development. It has 11 offices around the world.

Panos - Food For All Page 3

Facts

- A total of 792 million people in developing countries remain chronically hungry. Around threequarters of them live in rural areas
- There are more chronically hungry people in Asia, but 18 of the 23 countries facing the most severe problems are African
- The minimum number of kilocalories that a person needs varies between 1,710 and 1,960 per day.

 Many of those who go hungry are short of more than 400 kilocalories a day
- A one per cent increase in crop yields reduces the number of people living on less than \$1 a day by between 0.6 per cent and 1.2 per cent
- Armed conflict and civil strife caused agricultural output losses in developing countries estimated at an average of \$4.3 billion a year between 1970 to 1997
- Between 1960 and 1980, income per head in Sub-Saharan Africa grew by a third. Between 1980 and 1997 it fell by a quarter
- Between 1968 and 1998, international trade in major foodstuffs increased twice as fast as production
- Agricultural trade is less than 10 per cent of total world merchandise trade. Most 70 per cent of both exports and imports – is between developed countries
- Almost 70 per cent of world trade is between transnational corporations (TNCs). A small number dominate the major traded agricultural commodities

Panos - Food For All