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The global crisis that no one is talking about

By CBC News
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Brian Stewart on the twinned crises of the world economy and global hunger.

Two giant crises are profoundly shaking our world. One is highlighted almost hourly in the international media, the other is often lost from sight.

I am talking here about the global economic recession and the expanding tide of world hunger.

The two are dangerously interlinked even as they often seem remote from each other. But this sense of disconnect is a perilously false impression.

"A global economy where more than one billion people suffer from hunger is not a sustainable one," U.S. Treasury Secretary Timothy Geithner warned recently.

It's a warning for nations coming to Toronto next month for the G8 and G20 summits to urgently heed.

For, yes, one billion is the number of people - one sixth of humanity - who are now malnourished and barely surviving on less than $1.25 a day.

We simply can't go on like this.

For what this figure also shows is a truly startling leap of over 200 million more people in extreme poverty in just three years, a misery surge that took off during the catastrophic spike in global food prices in 2007-2008, which caused widespread hardship along with food riots in more than 60 countries.

Way more poor

The riots have passed but the aftershocks of that surge in the cost of food continue.

Over an 18-month period, unprecedented panic and hoarding in the world's primary food markets, coupled with crop failures and price speculation, caused the three key global staples - wheat, maize and rice - to actually triple in cost.

In that process, many of the world's poor lost virtually all their meagre savings simply trying to survive this inflation.

To make matters worse, this calamity was immediately followed by the still continuing global economic crisis, which compounded the problem in the developing world by tossing hundreds of millions out of work.

The result, according to UN studies, is that there has never been more desperately poor people in the world than today.

A vicious cycle

In a remarkably short time this truly vicious cycle has effectively knocked whole nations out of full participation in the world economy, which in turn further undermines global confidence.

Developing nations have seen their budgets and their balance of payments ravaged as they struggle simply to import enough food for increasingly desperate and angry populations.

Yes, most food prices moderated this spring because of better harvests in Asia. But the past spikes, along with other factors, have left prices still too high for many small-plot farmers and the urban poor.

In India, for example, food inflation remained above 20 per cent last year and has been running at above 16 per cent since.

According to the World Food Program, about 80 per cent of those in Asia, South America and Africa can afford only one-third as much food as they could two or three years ago.

Need to build supply

Meanwhile, worldwide emergency food reserves are extremely low - barely 90 days for wheat, even less for rice - a state of fragility that nations have promised to correct, but have not.

The situation is almost certain to guarantee more panics in the near term, especially as today's wildly changing weather patterns leave key crops more vulnerable in many regions.

As for the longer term, it scarcely bears thinking about, but think we must.

Sure, the world produces more food every year, but that growth is close to a stagnant one or two per cent increase.

This simply can't go on. An extraordinary agricultural supply revolution is needed to prepare the world for the three billion more mouths to feed by 2050, up from six billion to around nine.

A plan on the table

"Food security represents a greater threat to mankind than climate change itself," Britain's chief scientific adviser, John Beddington, warned last year. So, what to do?

Fortunately, in the past year there have been a few positive initiatives that do strike right at the heart of the problem - the inability of the world's poorest farmers to produce and market food in sufficient quantity to improve their lives and to help meet both local and regional demand.

In fact, there is a far-sighted plan on the table to help finance true grassroots food expansion, which Canada has just taken a notable lead role in promoting.

We are one of four nations that last month underwrote the start of a new $1 billion food security program, which, it is hoped, will invest $20 billion or more over the next half decade.

Canada ($230 million), the U.S., Spain and South Korea effectively jumpstarted a program that was first promised by the G20 leaders last summer, but until now has lacked willing hands.

It is expected that Stephen Harper and Barack Obama will put pressure on the others to ante up when the summit nations reconvene in Toronto in June.

Design for a human scale

Development skeptics increasingly claim that this kind of top-down aid doesn't work. But there's clear evidence that while poorly designed, half-hearted efforts don't, the well-organized ones do.

Indeed, the experiments of Canadian and Ethiopian development experts over the past six years have seen region-wide improvements in seed technology, agricultural practices, fertilizer use and local marketing boost production sevenfold, while farm incomes have tripled.

What's more, the point of this new fund will be to put the onus on poor nations themselves.

The money will only flow to countries that show serious efforts to improve land use, irrigation, reforestation, farm financing and new roads to get crops to market.

In short, the money will go to the steady, rural development practices that are known to work if carefully nurtured over time.

These days we have become used to hearing about tens of billions of dollars being deployed to bail out giant banking and financial systems, some of which seems to disappear like rain on a parched desert.

But this much smaller amount of food-security money that we are talking about is designed for a more human scale.

It's meant to help millions of individual rural farm families, now barely able to survive, start digging and growing themselves - and the world - out of a hunger crisis we can't afford to ignore.

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