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New ITUC Report: Global Food Crisis Set to Worsen

Brussels30 March 2009 (ITUC OnLine): A new report released by the International Trade Union Confederation predicts a worsening of the already serious global food crisis unless urgent action is taken by governments and international agencies. The number of people without enough to eat increased by 150 million in 2008, and the global economic crisis is likely to result in a further 200 million falling into absolute poverty.

The report, "A Recipe for Hunger, How the World is Failing on Food", targets financial speculation and massive profit-taking by a few multinational companies as the major causes, along with failed policies implemented by the International Monetary Fund and World Bank. The effects of trade rules which decrease food security and the impact of climate change are also highlighted. Another major factor, as governments and companies seek alternatives to fossil fuels, is the increase in production of biofuels at the expense of food production.

"Governments are putting hundreds of billions of dollars into shoring up failed banks and finance institutions, while the World Food Programme says that all the hungry children of the world could be fed for a mere US\$ 3 billion. The whole situation could be turned round for just US\$ 30 billion annually," said ITUC General Secretary Guy Ryder. "Public attention is rightly focused on the huge scale of the world economic crisis, but this should not detract from the fact that the total number of people without sufficient food is likely to reach well above 1 billion in the near future," he added.

Global food prices have fallen somewhat since their historic high in mid-2008, but they remain higher than at the beginning of last year, and global cereal prices are still 71% higher than in 2005. According to the UN's Food and Agriculture Organisation (FAO) food crises persist in 32 countries around the world.

Even as global prices have stabilized or fallen from recent peaks, this has not reached many people in developing countries, where stagnating incomes and lack of social protection mean a double burden of low purchasing power against high prices. According to Ron Oswald, general secretary of the Global Union Federation the IUF, given that 75% of the world's poorest live in rural areas, many of those who actually feed the world are often unable to provide a nutritional diet for themselves and their families "The bulk of hunger is in rural areas, and agricultural workers are among the most food insecure. They are hungry because they are poor, and they are poor because their basic rights, including their collected rights as workers, are violated on a daily basis. Agriculture today kills, maims, poisons and pollutes the bodies and the living and the working environment of those who produce our food. Advancing the fight against hunger means advancing decent work in agriculture"

Oswald added "The fact that global commodity indexes leaped 6% higher on a single day last week shows that the world's poorest and most vulnerable remain hostage to volatile capital flows. Halting this speculation in human lives by regulating global finance and channeling these enormous sums into productive investment, including agriculture, must be at the top of G20 agenda."

The new report provides detailed analysis of how the policies of the IMF and the World Bank and WTO rules have pushed developing countries into export-oriented agricultural production at the expense of domestic food security, and how the range of international agencies that have the power to deal with the problem have failed to ensure food security. Speculation on food prices has led to huge profits for a small number of extremely powerful global commodity trading companies at the expense of the poorest countries in particular, and the headlong rush to biofuel production, while providing only 1.5% of global liquid fuel supply, accounted for almost half the increase in the use of major food crops in 2006-07.

"Climate-change related pressures such as floods, drought, water scarcity and poor crop yields are all contributing to the worsening of this crisis. Clearly, action on climate change is critical for future global food security, but the major causes of this crisis are due to the discredited model of globalisation which puts the market ahead of the rights and interests of ordinary people. The London G20 Summit must provide the launching pad for a complete transformation of this failed system," said Ryder.

To read the full report: http://www.ituc-csi.org/IMG/pdf/food_crisis_EN.pdf

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