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Food, Poverty and Security

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In its analysis of trends in global security, Oxford Research Group (ORG) has argued that there are four main factors that are likely to determine patterns of insecurity in the coming decades.* These are:

- The widening socio-economic divide, leading to the marginalisation of the majority of the world's people, even in the context of continuing economic growth.
- The impact of climate change, especially in terms of the impact on food production and supply in the tropical and sub-tropical regions.
- Competition over resources, especially energy resources and water.
- Processes of militarisation, especially the tendency to use military force to maintain the status quo rather than address underlying problems.

In this context, ORG argues that terrorism is not the overarching global problem, although the rise of radical and extreme social movements such as al-Qaida and the Indian Naxalites may be, in part, a symptom of marginalisation. If a more environmentally constrained and economically divided world is typical of the next 2-3 decades, then issues such as mass migration, deep political instability and violent protest movements will come very much to the fore. The danger is that these will be seen as threats to the security of elite states and communities.

In the past year, while the 'war on terror' has continued to be the main focus of western security forces, the two other major global issues that have caused concern have been the future of global energy supplies and the more immediate issue of a major international food crisis. This briefing concentrates primarily on the latter issue and seeks to place it in the context of ORG's work on sustainable security.

Back to the Future

One aspect of the current world food crisis is the parallel with the last major instance of concern over world food supplies 35 years ago. The comparison between 2008 and 1973-4 is instructive both in terms of the similarities and the differences, with one important aspect being the extent to which protest and political instability has followed directly on rapid rises in food prices.

To recapitulate the core elements of the 1973-4 crisis – at that time there were fears of major famines affecting more than twenty countries across sub-Saharan Africa and South Asia, and there was a serious worry that unless there was an immediate international response as many as 40 million people could be at risk of starvation. To the extent that there was a risk of an immediate massive loss of life, the crisis differed from the current situation, but the wider impact of rapidly rising food prices in the early 1970s does parallel current problems, especially in terms of the increased risk of malnutrition.

Among the long-term problems identified in the early 1970s were the relative neglect of agricultural and rural development in the previous two decades, and the effects of rapid population growth. The main short-term issues which gave rise to the crisis were the rising costs of oil and fertilisers and the increasing demand for meat-rich diets in industrialised countries and their consequent impact on demand for feed crops used in animal rearing.

* See for example, Chris Abbott, Paul Rogers and John Sloboda, *Beyond Terror: The Truth About the Real Threats to Our World* (Random House, 2007).

The immediate crisis was precipitated by food shortages caused mainly by climatic conditions. In the early 1970s, the Sahel zone of sub-Saharan Africa was experiencing a prolonged drought, in 1970 Bangladesh experienced a catastrophic cyclone that killed half a million people and inundated coastal rice-growing areas with sea water, and in 1972-3 the Soviet Union was affected by a disastrous cereal harvest which meant that it bought up large quantities of grain from other countries.

It is also relevant to note that the 1973-4 crisis pointed to vulnerabilities in what had previously been termed the “green revolution”. Advances in crop breeding in the 1960s had resulted in the introduction of a range of new crop varieties that produced consistently higher yields than the older varieties that they replaced. Some of the world’s most important food crops, including rice and wheat, were particular targets for plant breeders and the impact of the new varieties was such that they were confidently expected to have a profound impact on tropical agriculture. Many food policy specialists believed that the green revolution would greatly decrease the risk of famine and would have a widespread and positive impact on malnutrition.

The situation in the early 1970s demonstrated that the new varieties were indeed able to perform very well but were dependent for their high yields on adequate supplies of fertilisers and pesticides. If poorer farmers could not afford these because of rapidly rising prices, then the new varieties frequently performed no better than the ones they had replaced.

One further issue that remains relevant was that even at the height of the crisis, in 1974, there were adequate grain reserves in storage to meet all the needs of all of the world’s people. The levels of the reserves had halved in the previous three years but were far from being exhausted. Instead, the problem was primarily one of poverty – with rising food prices the poorest people simply could not afford to eat.

The crisis came to a head during the course of 1974. Some immediate aid was provided, not least by some of the newly-rich oil producing countries of the Middle East, and world food prices also decreased as a consequence of economic stagnation in industrialised countries following the impact of the 1973-4 450% increase in oil prices. The worst of the anticipated famines were prevented.

Even so, while the UN Food and Agriculture Organisation proposed a series of measures to increase tropical food production, the sought-after increases in agricultural development assistance were not forthcoming from richer states, so that robust improvements in food production were far less than those required.

The Current Crisis

The current crisis mainly relates to increasing food prices rather than specific famines affecting vulnerable countries, but the extent of the price increases has been considerable, and has come at a time of rising oil prices as well. For many southern countries, food prices have doubled in the past year and while this may affect substantial proportions of their populations, it is the poorest who suffer most. Around one billion people still survive on a dollar a day, and such people typically spend 80% of their very limited earnings on food. If prices rise sharply, they cannot afford to buy what they need, and malnutrition and the diseases of poverty increase.

The causes of the crisis are, as in 1973-4, several. In addition to the failure over many years to have adequate investment in agricultural development, there has been an increasing pressure on grain supplies as the diets of richer countries become even more meat dependent. With 8-12 kilograms of plant protein required to produce one kilogram of meat, the price of feed grains rises and farmers plant such varieties in preference to food grains. A further factor has been the increase in land used for cultivating maize-based bio-fuels, with the US government providing \$7 billion a year in federal subsidies to its own farmers.

Climatic factors have been significant, if less so than last time, but there is no doubt that increased oil prices have had a major effect both directly and indirectly. The direct impact has been in terms of the requirement of poorer countries to spend more heavily on imported oil, putting pressure on development budgets, and the indirect effect has been for high oil prices to increase the price of fertilisers and pesticides as well as fuel for tractors and irrigation pumps.

At the end of May a major UN conference started in Rome that was intended to prompt action to ameliorate the crisis, one aspect being a proposal to spend \$15 billion on a range of measures, including tariff reductions, subsidies for poorer farmers and improved investment in agricultural development. Some of these proposals may well be put into effect, but it is also important to highlight underlying features of the crisis that have long-term implications, especially when compared with the events of 1973-4.

Indicators for the Future

The first of these is the cost of energy. After the 1973-4 oil price increases, oil prices fell in the late 1970s, to rise again in 1979-80, mainly through the effects of upheavals in the Middle East at the time of the Iranian Revolution and the start of the Iran/Iraq War. For the twenty years from the mid-1980s, prices were stagnant, which meant that they tended to fall, in real terms, because of background inflation. As a consequence of this, there was relatively little impact of the cost of energy, especially oil, on food production in the poorest regions of the tropics and sub-tropics. As in the twenty years prior to 1973, the potential for sudden increases in oil prices was not factored into the risk to food supplies.

In one sense, we are re-running history, but there is an important difference. The extraordinary 450% increase in oil prices between October 1973 and May 1974 was a result of direct political action. This started with the decision of Arab members of the Organisation of Petroleum Exporting Countries (OPEC) to manipulate markets as a means of putting indirect pressure on Israel to agree a ceasefire in the Yom Kippur/Ramadan War, but was then taken up by OPEC as a whole.

The price rises of this past year do not relate specifically to direct political action by OPEC or any other group. They reflect issues such as an under-investment in refining capacity, a rapidly increasing demand for oil, especially by China, and an increasingly heavy reliance on oil supplies from just a few countries. The sheer suddenness of the 1973-4 shock threw many industrial countries into a very unusual combination of inflation and economic stagnation – “stagflation” as it was termed – which resulted in an immediate decrease in demand and a curtailing of the price rises.

This may well happen again, albeit at a slower rate, but the underlying pressure on oil supplies suggests otherwise. The increases of the last two years are not down to major political disturbances such as the Iranian Revolution of nearly thirty years ago, the point being that if any such disturbances were to occur now, including US action against Iran or paramilitary targeting of Middle East oil facilities, the current inelasticity of the oil market would make for very substantial increases in oil prices. These would have hugely damaging effects on poorer countries and their food systems.

The second factor is that, as in 1973-4, the basic problem remains one of poverty and marginalisation, not an overall shortage of food supplies. At the height of the earlier crisis, there was estimated to be a shortfall of around 11 million tonnes of food grains affecting the twenty or so countries most seriously affected. Yet, at the time, world grain production exceeded 1,000 million tonnes and the year-round reserves averaged 100 million tonnes. The shortfall was therefore barely one tenth of world reserves. Prices of staple foods might well have gone up right across the world, but the real impact was on those regions where short-term climatic conditions and endemic poverty meant that people simply could not afford to eat.

The past thirty-five years have seen an impressive level of global economic development but the great majority of this has been concentrated in a trans-national elite community of around 1.2 billion people. The majority of the rest have been squeezed and, even now, over a billion people survive on barely a dollar a day. In other words, economic growth has not been paralleled by economic justice and sudden increases in food prices have an immediate effect on the poorest communities.

Thirdly, as ORG has argued in its reports, very welcome features of the past thirty-five years have been the major improvements in education, literacy and communications across the world. A fundamental effect of this, however, is that people are much more aware of their marginalisation and are therefore more likely to react strongly as a result of a very powerful sense of injustice. This has been very much in evidence in the past six months and is one of the reasons why states are taking the current food crisis so seriously. This time around, unlike the last time, the food crisis has been marked by food riots and a wave of social and political unrest affecting many countries, even leading some governing elites to have concern for their own survival.

The final factor is that the current crisis is almost entirely unrelated to the likely effects of climate change on food production – it has happened before those effects begin to “kick in”. There may well have been some measurable changes in the global climate as a result of climate change, but we are in the very early stages of those changes. The impact of climate change on those poorer regions of the world that produce so much of the food is likely to include more severe tropical storms and sea level rises that will together impact on some of the richest croplands of the tropics and sub-tropics. It will also involve major changes in rainfall distribution and increases in temperature that will together lead to a “drying out” of key food-producing regions. That, in parallel with more immediate problems such as those we are currently witnessing, is likely to make for far more extreme problems.

Thus, if we are to avoid even greater crises in food supply in the next thirty-five years, radical action in three areas as required. These are:

- 1) Strenuous efforts to narrow the widening socio-economic divide.
- 2) A rapid decrease in carbon emissions.
- 3) A dedicated programme of research into new crop varieties and water management, to enable farmers across the South to cope with the inevitable impact of climate change, even if its worst effects can be minimised.

The real message of the current food crisis is that it is likely to be a marker for much more serious crises if such action is not taken, and the timescale for such action is the next five to ten years.

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