

WFP Speech by **MR. STEPHEN ANDERSON**
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Forum on Decent Work and Social Justice in Times of Crisis

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- Greetings to the organizers of this forum on Decent Work and Social Justice in Times of Crisis. The theme of this conference could not have been timelier.
- Last year, the United Nations World Food Programme (or WFP) took a lead role in raising awareness of the need for a robust international response to the increasing hunger needs resulting from high food prices. This year, WFP is extremely concerned about the effects of the financial crisis will have on poor and food insecure populations worldwide who are already reeling from the food price crisis.
- As the United Nations frontline agency in the fight against hunger, WFP is continually responding to emergencies, but also works to help the hungry and poor gain food security for the future. We do this through programmes that use food as a means to build assets, spread knowledge and nurture stronger, more dynamic communities. To achieve its objectives, WFP has developed expertise in a range of areas including Food Security Analysis, Nutrition, Food Procurement and Logistics. We currently assist approximately 100 million people in 78 countries, including the Philippines, where we have re-established our presence since 2006.

GLOBAL HUNGER IS ON THE RISE

- High food prices from 2007 through the middle of 2008 have had serious implications for food and nutrition security and macroeconomic stability. The food and financial crisis will have strong and lasting effects on the poor in urban and rural areas, and reduce their ability to cope in these trying times.
- The number of undernourished people worldwide has increased to nearly one billion. Much of the increase is attributed to high food prices.¹
- Although global food prices have fallen somewhat since their historic high in mid-2008, in many countries they remain higher than at the beginning of last year, and global cereal prices are still 71% higher than in 2005. Moreover in many developing countries stagnating incomes and the lack of social protection mean a double blow or burden of reduced purchasing power against high prices.

¹ FAO Briefing Paper: Hunger on the rise, 17 September 2008.

- 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. Advancing the fight against hunger means advancing decent work in agriculture.
- Global hunger is not a new phenomenon; the world witnessed hunger in almost every decade of the 20th century. And yet the situation today is different in terms of its impact, ranging from poor people in developing countries who can no longer afford basic foodstuffs to workers in industrialized countries who are also feeling the effect of soaring food prices on their household budgets.
- Never before have so many working women and men been forced to cut back on meals, health care or other essential spending so rapidly. Reports have reflected the effects of high prices of food and how the lack of a decent income have been felt from Europe to Africa, from Asia to the Americas – no region has been left unaffected.

IMPACT OF HIGH FOOD PRICES ON FINANCIAL CRISIS

- Over the course of 2007 and 2008, the prices of wheat and rice increased by over 70 and 130 percent respectively. Even though prices were declining slowly in early 2009, the current price level of basic food staples is still much higher than it was two years ago. The food crisis has affected everyone but most of all the worst off, those living at the lower end of the income scale who spend 50 to 70 percent of their income on food.
- The global food crisis has deprived them of one of their fundamental human basic rights, the right to be free from hunger and malnutrition, to be assured of food security, and further assurance of workers' rights to a decent life.
- By 2050, more than 9 billion people will inhabit our globe. The strain on food availability is estimated to rise in the future but already, as the middle classes in developing countries like China and India grows and their blossoming economies allow them to shift their eating patterns, pressure on water accessibility and grain production is rising because meat and dairy products are in higher demand than ten years ago.
- Climate change will make matters worse: recurring droughts, flooding and other climate change-related pressures resulting from increased greenhouse gas emissions are a global challenge. Climate change disasters occur most often in developing countries where failed harvests and poor crop yields can result in people going hungry for months because the working poor can no longer afford to purchase basic foodstuffs at new and higher prices. As the impact of climate change intensifies over the coming decades, changes in weather patterns will continue and food production will be put under even more pressure.

Possible solutions

- A synchronized response is needed to ease the burden on the poor, and three sets of policy actions should be taken: promote pro-poor agricultural growth, reduction of market volatility and expansion of social protection mechanisms and child nutrition action.
- The first priority in alleviating this crisis must be to ensure food security in all countries, so that rapid and secure food supplies can be guaranteed for those in need.
- The second priority is investment in rural infrastructure, which must be increased in developing countries. Agricultural growth is essential for resolving food price crises, enhancing food security and accelerating growth that trickles down to the poor. Assistance to small-scale agricultural production in developing countries would contribute to enabling the world to restore the supply-demand balance for food at a lower price level. Policy and investment decisions in agriculture should be geared towards exploiting new opportunities and building resilience for future challenges. It is crucial that institutions such as the World Bank and agencies in the United Nations, maintain focus on food and agriculture, and support additional financing for research on agriculture science and technology. Such assistance must take place under the right terms to achieve economic, social and environmental sustainability including decent work and respect for international labor standards for rural workers.
- Further, production of foodstuffs in developing countries for domestic consumption at accessible prices is essential in ensuring domestic food security and reducing poverty. It is critical that the world provides some security against escalating world prices for basic commodities. Reducing price volatility is essential for avoiding extreme price bubbles and ensuring the world can respond to emergencies generated by the financial crisis. One proposal is to develop a physical reserve to deal with humanitarian emergencies and a virtual reserve to limit price volatility. The need for such a reserve has been raised by Philippine Agriculture Secretary Arthur Yap, at the High Level meeting on Food Security in Madrid in January 2009.
- Lastly, the provision of universal social protection, which the ILO is currently implementing a major campaign to achieve, is another aspect of the international framework for combating hunger. Protective actions such as conditional cash transfers, pension systems, and employment programs can strengthen coping mechanisms. Further a ramping up of social safety nets such as WFP school-feeding activities or nutritional support programmes, which aim to stop the poor sinking into the hunger trap provide immediate solutions to those affected by high prices and the global financial downturn.
- The above combination of recommendations shows that there is no one, magic solution to deter the effects of the financial crisis. There is much to be done. We cannot fail when close to 1 billion people are living in hunger. In today's interdependent world, that is not acceptable.
- Thank you very much. I look forward to your questions during the open forum.

