

The Food Crisis

More Debt or More Justice?



Jubilee aotearoa
Debt Action Network

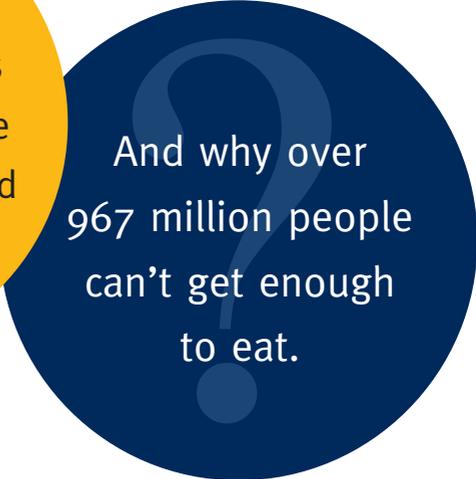
2008: a statement from Jubilee
Aotearoa Debt Action Network

The Choice

In Aotearoa New Zealand it's election year.



It's a good time to raise a few questions about how people are coping with rising food and fuel prices.



And why over 967 million people can't get enough to eat.



Whoever gets elected in November, the next New Zealand Government will have some choices to make.

It can continue business as usual helping make more people hungry by ensuring that poor countries pay five dollars in debt repayments for every dollar they receive in aid, and by supporting unfair trade rules that stop local farmers growing food.

Or, it can add its voice to a growing community of international players calling for just and sustainable solutions.



Our International Responsibility

As a member of the World Bank and the International Monetary Fund (IMF) New Zealand should be able to change the policies that keep food prices high and people hungry.

The problem is that these institutions and the international financial system they support are skewed in favour of rich countries.

Since the end of World War Two, the World Bank and the IMF have made financial aid and loans available to developing countries.

Some of these programmes have helped improve the country's economy.

Most have not.



Developing countries now owe more than US\$400 billion which they can never repay. In many parts of the world people are desperate for food and a decent livelihood.

Groups like Jubilee Aotearoa successfully campaigned for this debt to be cancelled. So far this cancellation has amounted to around US\$88 billion and has helped countries like Uganda double the number of children in school.

But many countries are ineligible for cancellation. And in many instances loans and aid will be made available only on condition that borrowing countries sell state assets, remove supports to farmers and open local markets to exports – all policies with devastating effects.

Rather than helping countries out of poverty these policies are locking people into a vicious cycle of dislocation, unemployment and hunger.



The Cause of the Food Crisis

In his recent trip to New Zealand Dr Jacques Diouf, Director General of the United Nation's Food and Agriculture Organisation (FAO), noted an underlying cause of the food crisis is that the money countries could have used to invest in agriculture and other infrastructure has been used towards debt repayment.

Poorer countries have been pressured to open their markets to free trade, drop subsidies and supports to their own farmers, reduce import taxes and tariffs, and require their farmers to produce crops for export rather than to meet their country's own food needs. Meanwhile the US and European countries continue to subsidise their own food producers which enables them to sell food in poorer countries below the real cost of production.



Unable to produce food at a price that competes with cheap imports many farmers in poorer countries have left crops to rot in their field, some have committed suicide while others have walked off their land. Millions of farmers have lost their livelihoods and some countries previously self-sufficient in food production have become dependent on imports.

With local food production destroyed, and people dependent on imported food, the high cost of food on the world market has pushed even more countries over the brink.



More debt is not the solution

Today the World Bank and the IMF have responded to the food crisis by encouraging already heavily indebted countries to take up even more loans to solve their immediate food shortages. They've offered policy advice that favours economic growth but keeps them in debt and dependent on oil.

But more debt is not the answer.

More debt doesn't allow countries to build sustainable futures for themselves, or invest in food security and people, or to gain freedom from cycles of poverty and debt.

New Zealand can continue a tradition of being a good international citizen and being able to take a stand where it matters. It can call for solutions to the food crisis that make a real difference for the world's most vulnerable people.



New Zealand can play an important role in lobbying at the IMF, the World Bank and other international forums:

It can support efforts to pick up the pace on debt relief so that developing countries can make sure their people have enough to eat.

It can provide support in ways determined by those who need it.

It can support the efforts of those in affected communities to develop infrastructure and long-term solutions that reduce their vulnerability to crises in the future.

It can challenge the conditionalities imposed by international institutions like the IMF and World Bank that improve the balance sheets of the rich world while starving more people in developing countries.



More debt or more justice?

Before you vote, ask your candidates and their parties what choice they'll be making about the food crisis.

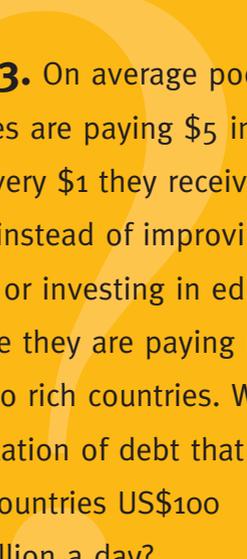
Here are some questions you could ask:

1. The United Nations estimates that 967 million people are hungry. I find this unfair when there is enough food to feed the world (the FAO estimates that there is 1.5 times more food than there is demand). What will you do to make sure that New Zealand does its share to end this infringement of basic human rights?





2. High food and fuel prices are hitting all of us. How will you address the global food crisis?



3. On average poor countries are paying \$5 in debt repayments for every \$1 they receive in aid. This means that instead of improving local food production or investing in education and health care they are paying much needed money to rich countries. Will you support cancellation of debt that costs these countries US\$100 million a day?



About Jubilee Aotearoa Debt Action Network

We are a non-partisan local network of agencies and individuals working to end the unjust and unpayable debt of poor countries.

We are linked to Jubilee and debt campaigns in countries around the world, poor and rich, north and south.

Any feedback you get from candidates about what they're going to do about the food crisis and debt, we'd love to hear about it, or if you'd just like to get in touch:

Email: jubilee@debtaction.org.nz

For references, research, food and debt case studies, and more information visit our website:

Web: www.debtaction.org.nz

Also visit the debt page on Dev-Zone's Knowledge Centre with up-to-date links to debt related research, organisations and information.

www.dev-zone.org/knowledge/Economy/Debt/

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