

# Macroeconomics: A Vatican view on finer points of global food crisis

VATICAN CITY - As world leaders were meeting in Rome to work out a response to the global food crisis, the Vatican weighed in on two levels - morality and macroeconomics.

Pope Benedict XVI laid out the moral principles in a message June 3 to the World Food Security Summit, saying that hunger and malnutrition were unacceptable in a world that has sufficient levels of agricultural production and resources.

The pope said a chief cause of hunger was lack of solidarity with others, and he emphasized that protecting the right to life means helping to feed the hungry.

The pope also spoke of structural changes needed in the global agricultural economy, but he didn't get into particulars.

Those finer points, however, were examined in unusual detail in a little-noticed briefing paper produced by the Pontifical Council for Justice and Peace.

The document offered the Vatican's take on the mechanisms behind the food crisis headlines. On one of the most hotly debated issues today, it came down squarely against developing biofuels from food crops at a time of global hunger.

The document made several important points:

- The current food crisis began in 2005, it said, and is extraordinary because the price increases have affected almost all agricultural products, have hit many countries and have endured over a long stretch of time.
- The text identified circumstantial causes of the food crisis: bad weather in many cereal-producing countries, the rise in energy prices that make production and transportation more costly, and speculation by commodity investors who have bought low and sold high.

Some exporting countries, including Brazil, China and India, have begun stockpiling

food and keeping it off the market, apprehensive that they will not be able to satisfy domestic needs. That practice has also helped drive up prices, the document said.

- It also examined the structural causes of the crisis, and here things get a bit more complicated. The paper pointed to one important shift in developing countries: a lower demand for cereals and a higher demand for protein-rich foods. That has led to more land used to produce animal feed, and less for foods used in direct human consumption.

It said long-standing subsidies to agricultural producers in richer countries have artificially kept down the international price of food products and thus discouraged farming in poorer countries. The result has been large-scale abandonment of local agriculture and increasing urbanization. Today, most poor countries are net importers of food, making them highly vulnerable as prices continue to rise.

- The effects of the food crisis are not equal: The weakest suffer the most, especially children and the urban poor. The document cited U.N. statistics showing that for every 1 percent increase in food prices, 16 million more people fall into "food insecurity." The way things are going, the number of chronically hungry in the world could rise to 1.2 billion by 2015.

- The document called for reconsideration of the rush to biofuel development, at least during the current crisis. Governments are called to protect the right to nourishment, and it is "unthinkable" for them to diminish the quantity of food products in favor of nonessential energy needs, it said.

Moreover, it said, the "hijacking" of agricultural land for production of biofuel crops was being subsidized by governments, which represents an interference with the correct functioning of the global food market.

- Emergency food aid is a necessary short-term measure, it said. But such aid, if continued for long periods of time, can actually aggravate the root problems of the food crisis by weakening local agricultural markets and the food autonomy of beneficiary countries.

- On the other hand, the current boom in food prices could turn out to be an

opportunity for agricultural growth in poorer countries, as long as farmers have the essentials: land, seed, fertilizer, water and access to markets.

While the food crisis seems to have crept up on much of the world, the Vatican has been warning about the hunger problem and market imbalances for years.

In a 1998 document on land reform, for example, the justice and peace council said the trend toward large landholding was strangling the future of local farming in developing countries.

When introducing their comments on the food crisis, the pope and Vatican offices consistently quote the words of Christ: "For I was hungry and you gave me food."

Today, the Vatican is saying that basic task has assumed new dimensions that make it more complex, but far from impossible.