

## The Global Food Crisis in 2023

The United Nations established a list of 17 sustainable development goals (SDGs) in 2016; the second of which was to end world hunger by 2030. Since instituting this objective for the world, global hunger has only been on the uprise. With 345 million people facing dire food insecurity and a sharp increase in the propensity of famine in sub-Saharan Africa and Asian countries, the current food crisis is seismic and has shook the world. At the rate at which food insecurity is increasing, it regrettably seems impossible to terminate global hunger in seven years.

When discussing the root causes of this crisis, conflict is the first that comes to mind. Civil wars in Afghanistan, terrorist insurgency in Iran and of course, the Ukraine war are only a few of the countries ridden by armed conflict in 2023. What this means for an economy is a sharp decline in the working population, increasing inflation, infrastructural damage and much more. However, alongside disruption of the economic climate in a country, armed conflict devastates the supply of an essential need: food. This explains why 70% of world hunger exists in war-ridden areas. To take Ukraine for instance, millions of tonnes of Ukrainian grain are congested in ports due to the termination of the Black Sea Deal due to the war. This drastic decrease in exports has stunted the economy therefore reducing the purchasing power of citizens and increasing Ukrainian food insecurity. However, the effects of this war are widespread. Adverse effects on food supply are not only experienced by Ukraine, but also by far flung nations such as Lebanon and Sudan. This speaks to the contagion of the world food crisis and speaks to the gravity of this issue.

In this capitalist world, it is crucial to analyze the part that large corporations and multinational companies play in worldly issues. As MNCs dominate markets, they tend to be price makers, control supply chains and determine barriers to entry. The substantial power of food related corporations such as Cargill allows them to engender an increase in world food prices and lessen the access to affordable food for lower income populations. For instance, Cargill continues to make abnormal profit even during the dire food crisis. This is referred to by many economists as *greedflation*: the escalation of prices by large corporations in times of dissension and uncertainty. This unwieldy power over the market explains how MNCs may contribute to the world food crisis. Moreover, these corporations have negative environmental impacts such as deforestation, food wastage and misuse of natural resources. This is due to the essence of capitalism which encourages the exploitation of natural resources in order to maximize profits. This goes hand in hand with the idea of a worldly shift from food subsistence to cash crops. All of these factors collaborate to worsen world hunger.

The financialization of food markets is further conducive to an increase in food insecurity. Pension funds, private equity firms, hedge funds and other financial agents have recently demonstrated great interest in the food system during the food crisis. Although this may seem like a major win for the agricultural industry, the financialization of food has actually accelerated to world hunger. Trading in a capitalist system prioritizes short term gain, as aforementioned, which causes great volatility in food prices. This affects people internationally, but especially farmers. An increase in farmer bankruptcy and economic difficulty has been observed along with

the food crisis which is a major issue considering the size and value of the agricultural sector in an economy. These facets of financialization of the food system contribute to the crux of the global food crisis.

It goes without saying that low income and developing countries are most gravely affected by the global food crisis. In terms of the pandemic, the fiscal response of low income countries was 2-3% of extra spending from GDP while higher income countries spent an additional 10-20%. The currency devaluation that these lesser developed countries (LDCs) faced due to the economic shock of COVID-19 has caused a sharp rise in food prices and insecurity. Climate change and increased natural disasters in these LDCs have further exacerbated food production. Ineffective economic institutions and governance in these LDCs have also negatively impacted the capacity of these LDCs to respond to the worsening food crisis.

However, it is not only LDCs that are undergoing economic struggle due to the food crisis. Even developed countries such as China and Japan are experiencing increasing food insecurity due to their reliance on food imports. The lack of local diversification in the food system of these countries created a dependency on imports. When global food supply tightens, these countries are starkly affected. Especially during the pandemic when countries like China were on strict lockdown, food shortages spiked and caused local unrest. Nevertheless, since these countries are more financially secure, they are able to stockpile essential foods and ameliorate their situations slowly. The same cannot be said for lesser developed countries.

Now, what can the world do to solve the global food crisis? Governments should work on investing more into the agricultural sector to boost food supply. Subsidies can be provided to farmers, irrigation systems can be improved, and sustainable farming practices can be promoted to prevent future farmers from being harmed. Similar to subsidies, price controls can be utilized effectively to make food more accessible to all income groups during this crisis. This can be achieved through the setting up of price ceilings on essential foods like grain to ensure that everyone can afford them. Furthermore, governments can establish or further expand their social safety programs pertaining to food. Food vouchers and rationing can be promoted to ensure that the lower income brackets receive their minimum calorie intake. Import dependent countries like China can also take action by diversifying their local food supply as well as their import sources. For instance, the Chinese Belt and Road initiative aims to expand the country's sources of food to minimize the effects of economic shock on national food supply.

The pandemic was a reminder for the world to work in unison for emergency preparedness. This has somewhat contributed to the world's competence to deal with an issue like the food crisis. Governments and humanitarian organizations have begun to cooperate with one another to better respond to acute food insecurity and famine by providing relief like food and water. Countries are also working on establishing policies to ameliorate long term food stability by investing in research and development, as well as promoting sustainability as previously mentioned. Moreover, international organizations such as the United Nations and the World Food Programme (WFP) are collaborating to act on the global food crisis with more efficacy.

These actions provide people all over the world with optimism regarding a decrease in hunger and food insecurity in the near future.