

## THE ESSENCE OF THE GLOBAL FOOD PROBLEM

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**Summary:** The article deals with the essence of the global food problem. The results of the study are as follows: the food problem is of international significance and its solution cannot be achieved by isolated efforts of individual countries; statistics on the number of starving people around the world is analyzed; the main causes, affecting the aggravation of food situation in the world in general and especially in developing countries are identified.

**Key words:** developing countries, global food problem, the reasons of the food problem.

**Анотація:** Стаття присвячена розгляду суті глобальної продовольчої проблеми. У результаті дослідження було виявлено, що продовольча проблема має міжнародне значення і її рішення неможливо досягти ізольованими зусиллями окремих країн; проаналізовані статистичні дані про кількість голодуючих людей у всіх регіонах світу; виявлено основні причини, що впливають на загострення продовольчої ситуації в світі в цілому і, особливо, в країнах, що розвиваються.

**Ключові слова:** глобальна продовольча проблема, країни, що розвиваються, причини продовольчої проблеми.

**Аннотация:** Статья посвящена рассмотрению сущности глобальной продовольственной проблемы. В результате исследования было выявлено, что продовольственная проблема имеет международное значение и её решение невозможно достичь изолированными усилиями отдельных стран; проанализированы статистические данные о количестве голодающих людей во всех регионах мира; выявлены основные причины, оказывающие влияние на обострение продовольственной ситуации в мире в целом, и особенно в развивающихся странах.

**Ключевые слова:** глобальная продовольственная проблема, причины продовольственной проблемы, развивающиеся страны.

The food problem, characterized as a problem of providing a stable access to food in sufficient quantity, range and quality according to medical standards, remains one of the most important and urgent problems, which is considered and addressed on a global, national and regional levels. The importance and relevance of this problem is determined by leading role of food in supporting human life, his/her physical and mental development, and the stable functioning of society [1, p. 78].

The food problem is a complex multidimensional phenomenon, which combines economic, social and political aspects.

The food problem is global, both due to its humanistic value, and to its close interrelation with the challenge of overcoming the socio-economic backwardness of developing countries. Unsatisfactory food supply to a large number of people in these countries is one of the main causes of their socio-economic and political instability.

The global nature of the food problem also becomes apparent from another point of view. While some countries are suffering from famine, others are struggling with a surplus of food, or with its excessive consumption, as far as, the world's food resources, in general, are sufficient to ensure satisfactory nutrition of

humanity. The world economy has enough agricultural resources and technologies to feed twice as many people as there live on the earth. However, food production is not provided, where people need it [3, p. 53].

FAO estimates that the number of chronically undernourished people in the world remains unacceptably high, it has grown from 850 million in 1990 to 1 billion in 2011 [4, p. 10]. At the same time, the systematic under-consumption of food per capita on the national average in terms of the existing social and economic inequality means a massive chronic famine among the poorest developing countries. In general, the phenomenon of hunger and malnutrition is not typical for industrialized countries. However, at the same time, due to the pronounced social differentiation, the poorest population in developed countries suffer from famine or close to it; and their number amounts to 19 billion people [4, p. 11].

There is an extensive zone of hunger and malnutrition on the Earth, stretching out on both sides of the equator. This zone begins in South America, covers a large part of Africa and then continues in Asia. The epicenter of this zone has long been located in Sub-Saharan Africa, the poorest region in the world. In the early 70s there were 90 million starving people in Africa, in the early 80's – 110 million, in the mid-80s – 140 million, in the mid-90's – 210 million, and in 2010 there were already 240 million people [5]. The situation is complicated by the fact, that due to extremely low incomes, about 90% of its residents live below the poverty level. This factor and deepening environmental and energy problems, as well as high rates of population growth cause the prolonged, chronic food crisis.

Despite the achievements of the "green revolution", food situation remains grave in South West, South and South East Asia. For example, in South and South East Asia the total number of starving people in the 70-80s remained at the level of 280-290 million people, and in 2010 this figure rose to 400 million [5].

Considering these facts, the problem of nutrition in Latin America is less acute. However, area of malnutrition covers many Andean countries (Peru, Ecuador, Bolivia), as well as many of the Caribbean Basin (Haiti, Cuba, El Salvador, Honduras, Guatemala, etc.). And the number of undernourished people here reaches 53 million [5]. In some countries the proportion of undernourished people in the total population may reach 40-45 %.

Three groups of factors, namely climatic, financial speculation, market (changes in demand and consumption) and demographic causes influenced the aggravation of food problem in the world during the first decade of the 21st century, which was characterized by the growing number of starving people and dramatic increase in prices.

The first group of causes is natural disasters that struck a significant part of agricultural regions. These are a drought in Russia in 2010, a frost in the U.S., floods in Pakistan, poor harvest due to a drought in China, climate change.

Causes of the financial and speculative nature. A number of scientists say that the availability of food supplies is not critical at present, but because of the fact that the products are intentionally kept back and not laid out on shelves, the price rocket at an unrivaled speed. In this situation, a negative impact on the food

market situation of food is rendered by speculation in the commodity and stock exchanges. Financial speculation and "financial bubbles" arising out of this process are the most important factors that contribute to sharp fluctuations in world market prices of food and energy resources. In addition, a huge impact on the food market has increased the prices of other goods and services, especially of utility service and fuel prices. In this situation, people simply cannot afford to buy goods, which lie on the shelves. The IMF activity is another reason. Crediting poor countries, they set strict conditions for the payment of foreign debts, which need a currency from exports, while in developing countries agriculture is the main item of foreign trade. That is the reason why, the residents of these countries are experiencing food shortages in the domestic market [2, p. 170].

As a special group of factors, causing the growth of food prices, stand out the processes occurring under the present conditions of the global food market. Significant monopolization is a characteristic feature of this market. Large monopolistic corporations in the U.S. and the EU do not allow smaller national enterprises to develop. Agricultural and food concerns, growing a large amount of monocultures, and putting the setting price for most enterprises of the Third World, displace weaker competitors from the market. This helps to inflate the monopolistic market prices of food products. There are other market factors that led to the aggravation of the food crisis in the world, such as the growing demand for food in countries with high rates of economic growth and income (China, India), an increase in demand for vegetable raw materials for biofuels production under conditions of high oil prices. World croplands are being increasingly used for the cultivation of biomass for biofuel rather than for food. Production of ethanol can inhibit the growth of oil prices and helps to reduce inflation in the countries, which are the major importers of petroleum products. Bank of America Merrill Lynch estimates, that termination of the production of biofuels will lead to an increase in prices for oil and gasoline by 15% [2, p. 173]. This increase, in its turn, will lead to an increase in the cost of agricultural products.

The problem of food supply in the world aggravated particularly sharply during the global financial crisis in 2008-2010. The aggravation of food situation occurred mainly due to increasing prices. The peak of growth of food prices in the world had been reached by July 2008. Food price index of FAO rose by this time to 200 points in relation to the average level of prices in 2002-2004. By June 2010, the index had fallen to 168 points. Then prices began to rise again and the average index of food prices of FAO, amounting to 232 points in April 2011, remained almost unchanged compared to the revised estimated rate in March; it was a 36 % increase compared April 2010, but it was 2% lower than its maximum value, registered in February 2011. However, it is the highest ever rate since the index was calculated in 1990 [5].

The demographic situation has a great influence on the food problem. In the 20th century, the world population has increased 3.7 times. Population growth amounted 4 billion 380 million people. For the period from 1900 to 1950, the world population increased by almost 900 million people (excluding about 100 million people, who died in the First and Second World Wars), and in the next 50

years – by 3 billion 485 million people. Average annual growth of world population in the first half of the twentieth century was 17.9 million people. In the second half of the twentieth century, the population growth rate increased 4 times and amounted to 69.7 million people a year. As a result, on October 31, 2011 the world population reached 7 billion people [5]. Rapid population growth is accompanied by the aggravation socio-economic problems.

Thus, the food problem is classified as global. To solve the food problem the efforts of individual country are not enough, but it is necessary to provide well-established cooperation of all countries. According to FAO statistics, the total number of starving people on the earth is 1 billion. Developing countries are the main setting of famine and malnutrition in the world today, where almost 4/5 of the world population lives and about 1/3 of all food is produced, and slightly more than a third of global food production is consumed. The greatest number of undernourished people is concentrated in the Asia-Pacific region, Sub-Saharan Africa and Latin America. Three groups of factors, such as climatic, financial speculation, market (changes in demand and consumption) and demographic reasons cause the aggravation of the global food problem.

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