

Economic Theory and Globalisation

Economic analysis of hunger

In order to understand globalisation from the perspective of International Political Economics (IPE), problems related to globalisation, which are by their very nature multidimensional and multinational, need to be approached from a holistic perspective. This means taking the methods and insights of different academic disciplines and different economic theorists and pulling them together into a more comprehensive analysis. Different economists, politicians and citizens, and also different national governments, have different 'world views' or 'paradigms' that form the framework of how they interpret and deal with the world around them. Their paradigm is a complex construction involving their education, religion, history, culture, personality, ambition, social class etc. and should not be classified as being 'right' or 'wrong', but rather as a paradigm that we might or not agree with.

Having seen the film on world hunger and poverty, and having read the report, in groups, discuss how different people or groups might analyse and resolve the problem of globalisation and food security. How do you feel about their approach?

A liberal / capitalist. (e.g. Locke, Mill, Smith, Hayek, Friedman...)

"For liberals, hunger is a problem that could easily be overcome if nation-states followed some basic economic principles and ... kept politics out of the hunger issue. Liberals prize efficiency, economic growth, and productivity beyond other values. When it comes to the relationship of food production to hunger, their outlook is simple: market forces should be allowed to set food prices, which, if governments did not interfere in markets- would result in enough food produced to meet even the tremendous demand in developing regions of the world." (1)

A socialist / structuralist. (e.g. Keynes, Marx, Lenin, Schumpeter, Prebisch...)

"For structuralists, the dominant actors are classes within a nation-state and classes of rich and poor whose interests cut across national boundaries. The nature of the relationship of rich classes and nations to poor ones is one of exploitation. Exploitation is a feature of international production and finance structures that link rich with poor nations. While formal colonialism is supposedly a thing of the past, rich nations continue to subjugate dependent countries by practising neoimperialism, that is, penetrating Southern economies via trade, aid, and investment policies and practices." (1)

A mercantilist / realist (e.g. List, Hamilton, Becher,)

"For mercantilists, food and hunger issues are tied up in considerations of national wealth and power. Mercantilists, or economic nationalists, view the world in ways similar to political realists. Nation-states compete with each other for power and wealth in order to improve their relative position in a self-help international... For mercantilists, hunger is a regularly-occurring condition related to a combination of physical and political-economic situations. Some countries are simply better endowed with a variety of natural resources, raw materials, and growing conditions that enhance food production. Mercantilists and realists consider food to be one of the most important ingredients of power." (1)

A trader. (e.g. individual citizens, banks, insurance companies, retirement funds...)

"The cost of a wide range of commodities has been soaring and will likely keep rising. You can't fight it, but with some smart investing moves, you can profit from it. "We are still very much in a structural bull market, which will play out for another five or 10 years," agrees James Dailey, the portfolio manager of the Team Asset Strategy Fund. Investors can jump in by buying exchange-traded fund or exchange traded notes designed to track the price of commodities, like Elements Rogers International Commodity Agriculture ETN, right now, then wait for pullbacks in the coming months and buy more." (2)

A world institution. (e.g. UN, FAO...)

The UN Food and Agriculture Organization announced in a new report that 925 million people will suffer chronic hunger, down nearly 100 million from 1.02 billion in 2009. "But with a child dying every six seconds because of undernourishment-related problems, hunger remains the world's largest tragedy and scandal," said FAO Director-General Jacques Diouf. He warned that the continued high level of global hunger hampers the achievement of the Millennium Development Goals, the eight globally-agreed anti-poverty targets with a 2015 deadline. Additionally, recent increases in food prices, if they persist, could further impede efforts to curb the number of hungry people in the world. "Vigorous and urgent action by nations and the world has been effective in helping to halt galloping hunger numbers," said Josette Sheeran, UN World Food Programme Executive Director. "But this is no time to relax," she emphasized. "We must keep hunger on the run to ensure stability and to protect lives and dignity." (3)

You might also consider the attitudes / positions of:

- *A psychologist.*
- *A politician.*
- *An anthropologist.*
- *A historian.*
- *A church.*
- *A people's rights group.*

References.

1. *Introduction to International political Economy*
2. By *Michael Brush*. *MSN Money*. <http://articles.moneycentral.msn.com>
3. "*Hunger remains the world's largest tragedy and scandal*" (*UNNews / FAO*)