

Caught in hunger's grip

As many as 828 million people worldwide went hungry in 2021, with the COVID-19 crisis having widened inequalities in access to food, according to a UN report. The grim food security situation undermines the likelihood of ending hunger by 2030 as targeted by the Sustainable Development Goals.

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Up to 828 million people affected by hunger in 2021, says report

Food insecurity worsened at the global level in 2021 as the COVID-19 pandemic sharpened inequalities, dimming prospects of ending world hunger by 2030.

by Kanaga Raja

GENEVA: The number of people affected by hunger globally rose to as high as 828 million in 2021, an increase of 46 million from a year earlier and about 150 million more since the outbreak of the COVID-19 pandemic in 2019, according to a United Nations report.

According to *The State of Food Security and Nutrition in the World 2022*, despite hopes that the world would emerge from the COVID-19 pandemic in 2021 and food security would begin to improve, world hunger rose further.

The report said the increase in global hunger in 2021 reflects exacerbated inequalities across and within countries due to an unequal pattern of economic recovery among countries and unrecovered income losses among those most affected by the pandemic.

The report, which was released on 6 July, was jointly published by five UN agencies: the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF), the UN World Food Programme (WFP) and the World Health Organization (WHO).

“Low-income countries, where agriculture is key to the economy, jobs and rural livelihoods, have little public resources to re-purpose. FAO is committed to continue working together with these countries to explore opportunities for increasing the provision of public services for all actors across agri-food systems,” said FAO Director-General Qu Dongyu.

“These are depressing figures for humanity. We continue to move away from our goal of ending hunger by 2030. The ripple effects of the global food crisis will most likely worsen the outcome again next year. We need a more intense approach to end hunger and IFAD stands ready to do its part by scaling up its operations and impact. We look forward to having everyone's support,” said IFAD

President Gilbert F. Houngbo.

“The unprecedented scale of the malnutrition crisis demands an unprecedented response. We must double our efforts to ensure that the most vulnerable children have access to nutritious, safe, and affordable diets – and services for the early prevention, detection and treatment of malnutrition. With so many children's lives and futures at stake, this is the time to step up our ambition for child nutrition – and we have no time to waste,” said UNICEF Executive Director Catherine Russell.

“There is a real danger these numbers will climb even higher in the months ahead. The global price spikes in food, fuel and fertilizers that we are seeing as a result of the crisis in Ukraine threaten to push countries around the world into famine. The result will be global destabilization, starvation, and mass migration on an unprecedented scale. We have to act today to avert this looming catastrophe,” said WFP Executive Director David Beasley.

“Every year, 11 million people die due to unhealthy diets. Rising food prices mean this will only get worse. WHO supports countries' efforts to improve food systems through taxing unhealthy foods and subsidizing healthy options, protecting children from harmful marketing, and ensuring clear nutrition labels. We must work together to achieve the 2030 global nutrition targets, to fight hunger and malnutrition, and to ensure that food is a source of health for all,” said WHO Director-General Tedros Adhanom Ghebreyesus.

Wrong direction

According to the report, with eight years remaining to meet the global targets of ending hunger, food insecurity and all forms of malnutrition [Targets 2.1 and 2.2 under the Sustainable Development Goals (SDGs)], the world is moving in

the wrong direction.

Food insecurity further deteriorated in 2021, and the only progress made towards the 2030 global nutrition targets was for exclusive breastfeeding among infants under six months of age and child stunting, while anaemia among women and adult obesity are actually worsening.

“The unequal pattern of economic recovery in 2021 among countries and the unrecovered income losses among those most affected by the pandemic have exacerbated existing inequalities and have worsened the food security situation for the populations already struggling the most to feed their families,” the report said.

Food prices have also increased in the past year due to bottlenecks in supply chains, soaring transport costs and other disruptions caused by the COVID-19 pandemic, said the report.

Furthermore, the war in Ukraine is disrupting supply chains and further affecting global grain, fertilizer and energy prices, leading to shortages and fuelling even higher food price inflation.

On top of this, the growing frequency and intensity of extreme climate events are proving to be a major disrupter of supply chains, especially in low-income countries (LICs).

Altogether, the report said, the intensification of the major drivers of food insecurity and malnutrition – conflict, climate extremes, economic shocks, combined with growing inequality – often occurring in combination, continues to challenge the quantity and quality of foods people can access, while making the fiscal situation of many countries more challenging for governments trying to mitigate the effects of these drivers.

Hike in hunger

The report said world hunger rose further in 2021 following a sharp upturn in 2020 in the midst of the COVID-19 pandemic. The persistence of the pandemic and its enduring consequences, which exacerbated existing inequalities, contributed to further setbacks in 2021 towards achievement of the Zero Hunger target by 2030.

After remaining relatively unchanged since 2015, the prevalence of undernourishment (PoU) jumped from 8.0% in 2019 to around 9.3% in 2020 and continued to rise in 2021 – though at a slower pace – to around 9.8%.

It is estimated that between 702 and 828 million people in the world (corresponding to 8.9% and 10.5% of the world population, respectively) faced hunger in 2021.

Considering the middle points of the projected ranges (722 and 768 million), hunger affected 46 million more people in 2021 than in 2020 and a total of 150 million more people since 2019, prior to the COVID-19 pandemic. Considering the upper bound of the range, the number could be as high as almost 210 million more people in two years.

The report said the numbers show persistent regional disparities, with Africa bearing the heaviest burden. One in five people in Africa (20.2% of the population) was facing hunger in 2021, compared with 9.1% in Asia, 8.6% in Latin America and the Caribbean, 5.8% in Oceania, and less than 2.5% in Northern America and Europe.

Of the total number of undernourished people in 2021 (768 million), more than half (425 million) live in Asia and more than one-third (278 million) live in Africa, while Latin America and the Caribbean accounts for close to 8% (57 million).

In Africa, 35 million more people were affected by hunger in 2020 compared with 2019, prior to the outbreak of the COVID-19 pandemic, with an additional 15 million in 2021, for a total of 50 million more people in two years.

Nine million more people were hungry in Latin America and the Caribbean in 2020 than in 2019, and an additional 4 million were thrust into hunger between 2020 and 2021. In Asia, the increases were of 58 million in 2020 and 26 million in 2021.

The report said that the further increase in global hunger in 2021 following the sharp upturn in 2020 is consistent with existing evidence of the persisting economic hardships induced by the COVID-19 crisis that have widened inequalities in access to food.

In 2021, the recovery in terms of GDP growth was highly uneven across countries, mainly in detriment to LICs and lower-middle-income countries (LMICs). While high-income countries (HICs) are recovering at a solid pace with a good prospect of regaining their pre-pandemic real per capita income levels in 2022, LICs and LMICs are experiencing a much slower pace of economic growth, and most are not expected to return to

their pre-pandemic levels by 2022.

“Disadvantaged groups of the population, such as women, youth, low-skilled workers and workers in the informal sector, were disproportionately impacted by the economic crisis that was triggered by the COVID-19 pandemic and by the measures implemented to contain it,” added the report.

The report said World Bank projections showed that while the top 20% of the global income distribution had recovered in 2021 about half of the income lost during 2020, the bottom 40% of the income distribution had not yet started to recover their income losses.

Not only did global extreme poverty increase, but so did global income inequality for the first time in 20 years.

However, the increase in poverty would likely have been even larger in the absence of the observed surge in social protection interventions. Between March 2020 and May 2021, as many as 222 countries or territories had planned or implemented social protection measures in response to the COVID-19 pandemic, said the report.

“Nevertheless, the coverage, inclusiveness and adequacy of these measures varied. Over 40% of the social protection measures identified in the review consisted of one-time payments, and nearly three-fourths lasted three months or less – far less than the reverberations of the pandemic.”

These disparities in the impact of the pandemic and the recovery, together with the limited coverage and duration of the social protection measures, led to widening inequalities, said the report.

It said that the prospects for achieving Zero Hunger by 2030 (SDG Target 2.1) are disheartening. It is projected that nearly 670 million people will still be undernourished in 2030 – 8% of the world population, which is the same proportion as in 2015 when the target was adopted. “This is 78 million more undernourished people in 2030 compared to a scenario in which the pandemic had not occurred,” said the report.

The projected gradual reduction in global hunger by 2030 is largely due to the significant improvements foreseen for Asia – where the number of undernourished people (NoU) is projected to fall from the current 425 million to around 295 million (equivalent to about 6% of the population) – and to a simultaneous worsening in Africa,

where the NoU is projected to grow from almost 280 million to more than 310 million (corresponding to slightly above 18% of the population). For Latin America and the Caribbean, the number of people affected by undernourishment is projected to remain stable until 2030 at around 56 million (which corresponds to about 8% of the population).

The report said that at the time of writing, another crisis looms that is likely to impact the trajectory of food security globally – the war in Ukraine. The Russian Federation and Ukraine are prominent players in the global trade in food and agricultural products, in particular wheat, maize, sunflower, sunflower oils and fertilizers in markets characterized by exportable supplies concentrated in a handful of countries. “This concentration makes these markets, in particular, vulnerable to shocks such as the one that the current war represents,” said the report.

Several risks emanate from the conflict that will directly and indirectly impact global supply. Among them, the risk of disruptions in trade flows, and the resulting risk of soaring prices, are among the first to consider. In addition, the potential risk of reduced production levels of the next harvest and logistical risks like those posed by damage of transport, storage and processing infrastructure are also to be considered.

“Taken together, they cast a looming shadow over the prospect of food insecurity in the short and medium term, especially in impoverished countries, and constitute a challenge to the achievement of the SDG 2 target of Zero Hunger,” said the report.

Food insecurity

The prevalence of moderate or severe food insecurity at the global level has been increasing since FAO first started collecting Food Insecurity Experience Scale (FIES) data in 2014, the report said.

In 2020, the year the COVID-19 pandemic spread across the globe, it rose nearly as much as in the previous five years combined. New estimates for 2021 suggest that the prevalence of moderate or severe food insecurity has remained relatively unchanged compared with 2020, whereas severe food insecurity has increased, providing further evidence of a deteriorating situation mainly for those

already facing serious hardships.

In 2021, an estimated 29.3% of the global population – 2.3 billion people – were moderately or severely food insecure, meaning they did not have access to adequate food. Although the number remained relatively stable between 2020 and 2021, over 350 million more people were affected by moderate or severe food insecurity in 2021 compared with 2019, the year before the COVID-19 pandemic unfolded.

Of those people affected by moderate or severe food insecurity, close to 40% were facing food insecurity at severe levels, indicating they had run out of food and, at worst, gone a day without eating.

The global prevalence of severe food insecurity rose from 9.3% to 10.9% between 2019 and 2020, and to 11.7% in 2021. An estimated 923.7 million people faced severe food insecurity in 2021 – 73.6 million more than in 2020 and 207 million more people compared with 2019.

While levels of moderate or severe food insecurity remained stable at the global level, differing trends were seen at the regional level, said the report.

The largest increase in moderate or severe food insecurity between 2020 and 2021 was seen in Africa, which also has the highest prevalence at both levels of severity. Moderate or severe food insecurity increased 1.9 percentage points in one year to 57.9%, and severe food insecurity increased 1 percentage point, affecting nearly one in four people in the region in 2021.

An estimated 322 million Africans were facing severe food insecurity – 21.5 million more than in 2020 and 58 million more than in 2019 prior to the COVID-19 pandemic. “Globally, more than one-third of the total number of people facing severe food insecurity in 2021 live in Africa.”

Food security also continued to worsen in Latin America and the Caribbean, although the deterioration has slowed following a relatively sharp rise in food insecurity in 2020, said the report. In 2021, 40.6% of the population were facing moderate or severe food insecurity – an increase of 1.1 percentage points since 2020, which is within the margins of error. Severe food insecurity rose 1.4 percentage points to reach 14.2% – an increase of nearly 10 million more people in one year and almost 30 million more when compared with 2019. The

prevalence of severe food insecurity in the region has nearly doubled since FIES data were first collected in 2014, said the report.

The food insecurity situation was comparatively better in Asia, where the combined prevalence of moderate and severe food insecurity decreased slightly from 25.8% in 2020 to 24.6% in 2021. “Nevertheless, given the size of its population, Asia accounts for half the people facing moderate or severe food insecurity in the world – more than 1.15 billion. Furthermore, the prevalence of severe food insecurity actually increased to 10.5%.”

An estimated 37.5 million more people faced severe food insecurity in Asia in 2021 compared with 2020 – a larger increase in terms of absolute numbers than in Africa. When compared with 2019, 112.3 million more people were facing food insecurity at severe levels in 2021.

The report said Eastern Asia is the sub-region with the lowest levels of food insecurity and also appears to be one of the few sub-regions in the world where progress was made and food insecurity fell below pre-pandemic levels in 2021. The prevalence of moderate or severe food insecurity decreased 1.6 percentage points to 6.2%, and severe food insecurity fell by half to 1.0%, levels similar to many sub-regions of Northern America and Europe.

In Northern America and Europe, the region where the lowest rates of food insecurity are found, the prevalence of severe food insecurity increased for the second consecutive year since the beginning of FIES data collection in 2014. In 2021, 8.0% of the population of Northern America and Europe were moderately or severely food insecure, and 1.5% were severely food insecure. The rates were slightly higher in Oceania – 13.0% and 4.5%, respectively.

Of a total of 2.3 billion suffering from food insecurity in 2021, half (1.15 billion) are in Asia; more than one-third (795 million) are in Africa; about 12% (268 million) live in Latin America and the Caribbean; and nearly 4% (89 million) are in Northern America and Europe.

LMICs, which comprise the largest portion of the global population, account for more than half the food-insecure people in the world. However, low-income countries suffer a much higher burden, said the report. With a combined

population of only 683 million, LICs were home to 437 million food-insecure people in 2021 – 64% of the population. A large proportion of these – 44%, or 193 million – were severely food insecure.

In contrast, the report said, high-income countries and territories were home to 93 million food-insecure individuals (less than 8% of the population), and a smaller proportion of food-insecure people in those countries were severely food insecure – 25% of the total, or 23 million.

Access to healthy diets

The report said that while global consumer food prices only began to

increase in May 2020, by the end of the year they were higher than in any month in the previous six years. This sharp increase in the second half of 2020 translated directly into an increased average cost of a healthy diet in 2020 for all regions and almost all sub-regions in the world.

At the global level, the average cost of a healthy diet in 2020 was \$3.54 per person per day, which represents a 3.3% increase from 2019 and a 6.7% increase from 2017.

Between 2019 and 2020, Asia had the highest increase in the cost of a healthy diet at 4.0%, followed by Oceania at 3.6%. In Asia, this surge pushed up the average cost of a healthy diet to \$3.72 per person per day.

Latin America and the Caribbean had the third highest increase (3.4%) in the average cost of a healthy diet in the same period, reporting the highest cost in 2020 (\$3.89 per person per day). Northern America and Europe saw a cost increase of 3.2% and an average cost of a healthy diet at \$3.19 per person per day.

Africa had the lowest increase in the cost of a healthy diet between 2019 and 2020 (2.5%), reaching an average cost of \$3.46 per person per day in 2020.

As a result of the single-year increases in 2020, almost 3.1 billion people could not afford a healthy diet, an increase of 112 million more people than in 2019. (SUNS9621)

TWN Intellectual Property Rights Series No. 18

Remedies Against Excessive Pricing of Patented Medicines Under Competition Law

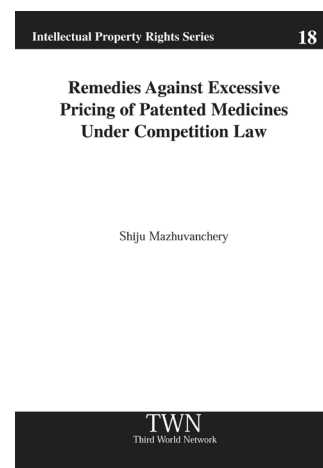
by Shiju Mazhuvanchery

Exorbitant medicine prices, especially for medicines subjected to patent protection, are increasingly coming under the spotlight. This paper considers whether and how this serious concern can be addressed within the framework of competition law.

Differing perspectives exist over the appropriateness of intervention by competition authorities in cases of excessive pricing, particularly when these involve patented products. However, there are no legal barriers to such intervention; competition authorities can act – and have acted – against firms deemed to have charged unfairly high prices for medicines, including those under patent.

In fact, this paper contends, competition enforcement against excessive pricing of patented medicines would not only advance consumer welfare but also contribute to safeguarding the fundamental human right to health. The remedies available under competition law – such as compulsory licensing – can be effectively applied to keep a lid on the prices of essential, potentially life-saving medicines.

Available at <https://twon.my/title2/IPR/ipr18.htm>



Herculean battle to frame agri-reform agenda at WTO

Disparate positions were put forward by member states at the first session of the WTO agriculture negotiations following the recent Ministerial Conference, underlining the difficulties facing attempts to reach agreements on farm trade reform.

by D. Ravi Kanth

GENEVA: Trade envoys and senior officials of developing countries have brought to centre stage the mandated issues on agriculture, especially the permanent solution for public stockholding (PSH) programmes for food security and the special safeguard mechanism (SSM), demanding that these two issues need to be addressed along with the discussions on the purported agriculture reform, said people familiar with the development.

At a meeting of the Doha agriculture negotiating body on 21 July, its first since the 12th WTO Ministerial Conference (MC12) in June, developing countries such as Indonesia (on behalf of the Group of 33 developing-country coalition), China, India, Jamaica [on behalf of the African, Caribbean and Pacific (ACP) Group], South Africa and several other countries mentioned these two issues with varying emphasis, said people who asked not to be quoted.

In contrast, the Cairns Group of farm-exporting countries led by Australia, the United States, the European Union, Japan, Switzerland (on behalf of the farm-defensive countries of the G10) and Brazil among others suggested a rupture with the Doha mandate on agriculture, calling for a new approach to set the markers for agricultural reform.

Meanwhile it appears that WTO Director-General Ngozi Okonjo-Iweala and the Cairns Group are planning to host separate retreats for brainstorming on agriculture in the week beginning 12 September, following the failure to include any work programme on agriculture at MC12.

While the DG's retreat is being planned for around 13 or 14 September, the Cairns Group retreat is being scheduled for 15 or 16 September. The venue and the exact dates for the retreats are yet to be finalized, said a person

familiar with the situation.

Perhaps the two retreats are intended to bury the Doha mandate on agriculture once and for all, paving the way for new approaches and new emphases targeting specific entitlements for developing countries such as the "Development Box" in Article 6.2 of the WTO's Agreement on Agriculture (AoA), the *de minimis* provision of 10%, and several other special and differential treatment (S&DT) provisions, said one person who asked not to be quoted.

Disappointment over lack of outcomes

At the 21 July meeting, the outgoing chair of the Doha agriculture negotiations, Ambassador Gloria Abraham Peralta of Costa Rica, presented a six-page report on her assessment of the state of play in the negotiations.

Many members paid tributes for her dedicated work during the last two years. Surprisingly, members hardly referred to the points she made in her intervention, said people who asked not to be quoted.

Before MC12, Peralta was severely criticized in several meetings for her alleged bias towards the Cairns Group and for undermining the PSH permanent solution among others.

In its intervention at the 21 July meeting, the United States said it is disappointed that on agriculture, MC12 did not achieve more than the two substantive outcomes – the Decision on the World Food Programme (WFP) and the Declaration on Food Security. The US suggested that it reflects fundamental divergences on various issues.

Indonesia, speaking on behalf of the G33, also voiced disappointment over the outcome, saying the need of the hour is to build trust and goodwill among members.

It said that though members agreed on the WFP decision and the food security declaration, it is important to ensure inclusivity and transparency. It added that the chair's report should be based on members' reports and consultations with members.

Indonesia called for advancing the Bali and Nairobi mandates with S&DT being an integral part. The G33 and other developing countries, it said, will continue to pursue the SSM and the PSH permanent solution. Negotiations on other pillars such as domestic support, market access and cotton must also progress, it added, calling for establishing modalities to pave the way forward.

Speaking on behalf of the African Group, Cameroon said that the Group members are disappointed at the failure to "secure an outcome of level playing field" and to provide further policy space for developing countries and least-developed countries (LDCs). Also, MC12 failed to address the cotton issue.

Cameroon said that members need to define their priorities and issues that continue to undermine trust-building, underscoring the need to give top priority to food security.

Cameroon added that the African Group will engage for equitable and balanced outcomes at MC13.

Jamaica, on behalf of the ACP Group, said it had placed "high value on an equitable and inclusive outcome at MC12." The absence of an agricultural outcome is a bad signal for the world's subsistence farmers, it said.

It said that "imbalance in AoA continues to result in those with deep pockets benefiting at the expense of global food and nutrition security."

Endorsing the food security declaration and the decision to not impose export restrictions on WFP food purchases, Jamaica hoped the decision will further assist WFP in its operations.

It ought to have provided "policy space for countries like ours to address existential food security challenges," it said.

Jamaica further said that "tangible outcomes on PSH, SSM and DS [domestic support] are required to have an Ag [agriculture] outcome." It also emphasized the need for an outcome on cotton.

It argued that primary and durable solutions to the food security crisis lie in addressing the AoA imbalances. It said that members should be guided by the

objectives of eliminating the Aggregate Measurement of Support above *de minimis*, limiting Green and Blue Box subsidies, and preserving Article 6.2 of the AoA.

Markers for negotiations

China said that the Doha Development Agenda was intended to address food and livelihood security, adding that the existing imbalance together with current crises increase the challenges for members. It expressed sharp concern over not achieving an outcome on the PSH issue due to the existing rule deficit. Pointing out that no substantial progress was made over the past 20 years, it asked members to identify causes and solutions.

China said that agricultural outcomes should contribute to the realization of the United Nations Sustainable Development Goals (SDGs). As members' divergences have not been bridged, it proposed three markers for continuing the negotiations:

1. China said some members only seek blunt reductions of tariffs etc, ignoring other members' need to achieve sustainable development. Reform should deliver on policy tools for development and food security needs of all members.
2. China said that developed members have resources that others cannot match and their support distorts trade and wipes out others' local production.
3. China argued that high agriculture subsidies and concentration in specific products severely impact the agriculture of developing countries, which have specific food security needs and have to protect the interests of their farmers in growing food.

China said that the agricultural reform must provide effective policy tools for such members; otherwise, their reform will stagnate or regress, as trade alone cannot meet domestic food needs.

Russia said the threat to global food security was to a large extent due to sanctions against it, which led to price hikes in energy products and fertilizers.

Sri Lanka, which is facing food and fuel riots, called for progress especially on the PSH permanent solution, SSM and domestic support.

Egypt, which is also adversely affected by high food prices and shortages

of wheat, said that "future work should be based on realistic expectations on all pillars," underscoring the need for calibration and proper sequencing across all pillars.

Egypt said PSH is an appropriate tool to address these concerns, emphasizing that transparency and special and differential treatment are both cross-cutting issues to be considered.

India said there will be no progress in agriculture without delivering on the mandated issues.

South Africa expressed frustration that the WTO is still unable to address the principal issue at the heart of agricultural reform: distortive domestic support and its concentration of specific subsidies.

While welcoming the WFP decision and the food security declaration, it also underlined the need to take into account the role of PSH in addressing the food security crisis.

It highlighted the need to attach importance to poor subsistence farmers and make rapid progress on domestic support and the mandated issues of PSH and SSM.

Failure to deliver

India expressed grave concern over the failure to deliver on PSH. It reminded members that given the past mandate, lack of closure would cast aspersions on the commitment of members and future negotiations, adding that not delivering on a mandated issue is backsliding.

It said that "PSH allows India to ensure food security for its own population and help other countries in need." Such an outcome should help members to build

a successful food security model without creating distortions, it said.

India said there will be no progress in agriculture without delivering on the mandated issues, adding that countries should not look for a scapegoat.

It argued that "times have changed since 1994 and developing countries now understand their interests better", and the developing countries "seek protection from those preaching free trade."

India called for discussions to start on addressing the mandated issues of PSH and SSM and for adopting outcomes thereon at the WTO General Council without waiting for MC13.

The US said the current approaches would not work, underscoring the need to identify current challenges in order to have a common negotiating approach. It maintained that a new approach would not be found overnight, emphasizing the need for pragmatism.

The EU said it is disappointed over agriculture reform, adding that the PSH issue proved again to be a visible dividing point. It added that there are many other issues on which divergences remain, calling for a new negotiating approach based on a cooperative and constructive attitude.

The EU argued that the new way forward ought to be anchored around important issues such as poverty and fisheries subsidies.

Brazil, which had previously led the G20 coalition of developing countries and endorsed the draft modalities text in 2008 based on the Doha agriculture mandate, said "the old concepts and architecture from Doha round cannot serve the way forward." It demanded a fresh start based on Article 20 of the AoA. It called for an assessment on domestic support/PSH and market access.

Canada called for a dialogue on how food security, sustainability and climate change could be incorporated.

Japan, speaking on behalf of the G10 countries, called for a balanced approach to ensure a balanced outcome for food security. The G10 countries, according to Japan, are committed to the reform process under Article 20 of the AoA.

In short, the coming months are going to witness an uphill battle on framing agricultural reform. For the reform to be credible, members should address the mandated issues first in order to create trust and confidence among developing countries. (SUNS9623)

South demands coverage of diagnostics and therapeutics in MC12 decision

Dozens of developing countries are pressing for a WTO decision easing intellectual property constraints on COVID-19 vaccine production to be extended to tests and treatments for the disease.

by D. Ravi Kanth

GENEVA: Many developing countries have upped the ante for commencing discussions at the World Trade Organization to cover diagnostics and therapeutics in the Ministerial Decision on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) that was concluded at the 12th WTO Ministerial Conference (MC12) in June.

Paragraph 8 of the TRIPS Decision states: “No later than six months from the date of this Decision, Members will decide on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics.”

In an unofficial room document circulated at the WTO on 6 July, seen by the *South-North Development Monitor (SUNS)*, South Africa, India, Pakistan, Indonesia, Egypt and Tanzania, on behalf of the 59 other countries which co-sponsored the TRIPS waiver proposal submitted in May last year, demanded the commencement of talks on the extension of the Decision to cover diagnostics and therapeutics.

They pointed out that World Health Organization (WHO) Director-General Tedros Adhanom Ghebreyesus “recently noted to the World Health Assembly in May 2022 the supply-side problems for tests and therapeutics, with insufficient funds and insufficient access.”

They noted that “rapid access to COVID-19 testing and treatments is a priority of the United States’ test and treat initiative, having already secured the purchase of 20 million treatment courses of Paxlovid and also for procuring Molnupiravir.” Similarly, the European Union’s strategy “on COVID-19 therapeutics and plan to sustain its preparedness and response to COVID-19 includes continued testing and access to

therapeutics.”

Citing a World Intellectual Property Organization (WIPO) report on the patent landscape, the co-sponsors of the TRIPS waiver proposal said that between 2020-21, there were 5,293 patent applications for therapeutics related to COVID-19 in around 40 countries. The number is expected to substantially increase between 2022 and 2023, the WIPO report suggested.

According to the co-sponsors, the patent filings related to therapeutics considerably outnumber those on vaccines, by an approximate 4:1 ratio. “Many of these patent applications are for repurposed drugs rather than innovative products developed to treat COVID-19. Government funding has supported a significant part of the research and clinical trial efforts.”

They said that “while some of the patent applications may face challenges in some patent offices, those which are granted will delay entry of generic products that would otherwise increase global supply of COVID-19 treatments,” and this will result in price increases which restrict access.

Several patent holders have issued voluntary licences, but the scope of those licences is limited. “For example, voluntary licences under the Medicines Patent Pool (MPP) have been negotiated in relation to two experimental oral antiviral treatments for COVID-19.”

Apparently, based on available data, the drug Paxlovid is the most promising oral antiviral treatment for people with high risk of progressing to severe COVID-19.

Meanwhile, Molnupiravir reduces the risk of hospitalization or death, particularly for patients with comorbidities.

“Under the high-profile agreement

between the originator and the MPP, only 95 countries can benefit from the potential supply of generics,” the co-sponsors said. Further, even within those countries, only a limited number of companies have the capacity to access the MPP under the strict requirements of the WHO Prequalification of Medicines Programme.

Although the licence will ultimately allow for generic production by companies that signed the licence, it has been estimated that new generic companies may only be able to start supplying the treatment in 2023.

As regards COVID-19 diagnostics, the production is “concentrated in high-income countries”, the co-sponsors said. The “over-reliance on imported diagnostics resulted in scarcity and high prices which restricted access in low- and middle-income countries (LMICs)”. As of December 2021, of the more than 3 billion tests reported across the world, only 0.4% had been performed in low-income countries.

The co-sponsors pointed out that the expansion of local production to a broader range of geographical locations is the only way to sustainably address this over-reliance.

Further, “patents on Cas enzymes used in CRISPR-based diagnostic tests and recently expired foundational patents on lateral flow rapid diagnostic tests and polymerase chain reaction (PCR) have inhibited expansion of production to LMICs.”

The co-sponsors lamented that “access to lifesaving tools, including diagnostic tests, therapeutics, and vaccines, remains concentrated in higher-income countries while many low- and middle-income countries still lag behind.”

Against this backdrop, they concluded that “extension of the policy tools provided in [the Ministerial Decision on the TRIPS Agreement] to therapeutics and diagnostics will help developing countries to address IP [intellectual property] barriers to the expansion and diversification of production. This will increase the accessibility of these crucial life-saving COVID-19 tools.”

The co-sponsors said that “a holistic approach is required to ensure an effective response to COVID-19, however, access to lifesaving drugs remains limited due to patent monopolies, limited supply and high prices.”

“People’s access to important

COVID-19 treatments and diagnostics remains challenging in many developing countries due in part to IP barriers and restrictive licensing by pharmaceutical corporations and this must be addressed

as soon as possible.”

Towards this end, the co-sponsors put forward a proposed schedule of meetings at the WTO from July to December aimed at reaching agreement on extension of

the Ministerial Decision to diagnostics and therapeutics within the six-month deadline set in the Decision. (SUNS9612)

A “peace clause” needed for industrial subsidies at WTO

Proposed US government support for domestic semiconductor production highlights apparent double standards on the part of developed countries that have railed against developing-country industrial subsidies.

by D. Ravi Kanth

GENEVA: The seemingly hypocritical positions on industrial subsidies adopted by the Northern countries, including the United States and the European Union, stand exposed, with the US Senate having embarked on subsidizing domestic semiconductor production.

In a move to counter China’s dominance in the production of semiconductor chips, a Senate bipartisan bill involving amounts of \$52 billion is being seen as the latest move in a global fight for control over chip production and the fourth industrial revolution.

“It is essentially a battle over who is going to be the hegemon and who is going to lead the fourth industrial revolution,” former South African trade minister Rob Davies had told this writer on 13 May 2019.

Perhaps Davies’s prescient warning is now taking concrete shape, with both the US and the EU seemingly set on intensifying the chip war with tens of billions of dollars in what could constitute a clear form of industrial subsidies.

The proposed \$52 billion US subsidy bill is expected to enable American chip companies to ramp up the domestic production of chips. It is already being touted as a “critical national security need”, according to a report in the *Wall Street Journal* on 20 July.

The bipartisan bill, which crossed its

first hurdle on 19 July, will also include additional funding for scientific research.

Last year, the US Senate approved a bipartisan \$250 billion bill boosting government spending on technology research and development amid rising competition from China and other nations, the *WSJ* reported.

The current bill would also focus on cutting-edge technology research in areas such as quantum computing and artificial intelligence.

“In all, it [the Senate] authorized \$190 billion in spending, in addition to the semiconductor subsidies, according to Congressional analysis,” the *WSJ* reported.

Apparently, the US House of Representatives earlier passed its own version of the legislation, a subsidy bill worth \$390 billion.

According to the *WSJ* report, lawmakers are also negotiating tax credits for research and development to increase US competitiveness for the long term.

G7 “hypocrisy”

At a meeting in Elmau, Germany, on 28 June, the leaders of the G7 major developed countries (the US, Canada, Italy, France, Germany, the United Kingdom and Japan, as well as the European Union) issued a strong statement on industrial

subsidies.

“We will further step up our efforts working towards a level playing field through more effective use of existing tools, as well as developing stronger international rules and norms on non-market policies and practices, for example, harmful industrial subsidies and trade-distorting actions by state-owned enterprises, notably those that lead to excess capacity,” the G7 leaders said.

Effectively, the G7 leaders seem to have justified the industrial subsidies provided by their own countries as market-based even if they are harmful and trade-distorting.

Last year, the so-called “trilateral” members – the US, the EU and Japan – issued a paper saying that “the current list of prohibited subsidies provided for in Article 3.1 of the [WTO] Agreement on Subsidies and Countervailing Measures (ASCM) is insufficient to tackle market and trade distorting subsidization existing in certain jurisdictions.

“Therefore, new types of unconditionally prohibited subsidies need to be added to the ASCM. These are: a. unlimited guarantees; b. subsidies to an insolvent or ailing enterprise in the absence of a credible restructuring plan; c. subsidies to enterprises unable to obtain long-term financing or investment from independent commercial sources operating in sectors or industries in overcapacity; d. certain direct forgiveness of debt.”

The three members added that “certain other types of subsidies have such a harmful effect so as to justify a reversal of the burden of proof so that the subsidizing Member must demonstrate that there are no serious negative trade or capacity effects and that there is effective transparency about the subsidy in question.” Included in this category were “excessively large subsidies; subsidies that prop up uncompetitive firms and prevent their exit from the market; subsidies creating massive manufacturing capacity,

without private commercial participation; and, subsidies that lower input prices domestically in comparison to prices of the same goods when destined for export.” The trilateral members proposed that “If such a subsidy is found to exist and the absence of serious negative effect cannot be demonstrated, the subsidizing Member must withdraw the subsidy in question immediately”.

The moot issue is into which category of subsidies the \$52 billion US subsidies outlined in the Senate bill would fall.

There seems to be a glaring display of double standards, i.e., one category of subsidies for the industrialized countries and another for China and other developing countries, said people who asked not to be quoted.

UNCTAD views

The United Nations Conference on Trade and Development (UNCTAD), in its *Trade and Development Report 2021*, noted that the G7 countries had used industrial subsidies even though they criticized the subsidies provided by China.

The *TDR* pointed out that a G7 trade ministers’ communique issued in 2021 highlighted the ministers’ “united position against ‘unfair trade’ and ‘non-market policies and practices’ including industrial subsidies and forced technology transfer,

even though these same countries have used these policies in their own successful development process.”

Meanwhile, an April 2021 UNCTAD research paper titled “Reforming the International Trading System for Recovery, Resilience and Inclusive Development” made the case for a “WTO Peace Clause for Emergency Response.”

The paper said: “Not only do the developing countries need to recover faster [from the COVID-19 crisis], they have to recover better by correcting the bias in the current trading system in favour of large firms and their collection of monopoly rents. This will require effective measures against the use of restrictive business practices along the lines advocated by UNCTAD in the 1980s but it will also require that countries can provide substantial financial as well as non-financial support to their small and medium-size firms.

“However, the WTO Agreement on Subsidies and Countervailing Measures (ASCM) restricts developing countries’ freedom to extend industrial subsidies, curtailing the policy space they need to revive their manufacturing sector.”

In light of this, “UNCTAD has proposed the introduction of a ‘Peace Clause’ in the ASCM which will suspend restrictions on policy space during peacetime economic emergencies, such as the Covid-19 pandemic and its fallout,

allowing State support of small and medium enterprises in export-oriented sectors ... A temporary WTO Peace Clause would enable use of industrial subsidies for reviving industrial and trade growth in the South and would also enable countries to overcome barriers related to intellectual property and data ownership”.

The paper added that a “permanent exclusion of all proceedings and actions against government measures implemented in the context of Covid-19 is also required in all relevant fora to help create the necessary policy space for recovery.

“An immediate moratorium on ISDS [investor-state dispute settlement] cases by international corporations against governments based on cross-border investment treaties is also needed, alongside a longer-term approach to ensuring investment protection measures in BITs [bilateral investment treaties] and FTAs [free trade agreements] do not undermine or hold back broader public interest policies such as necessary labour regulation and climate action.”

In conclusion, there is a need for a “peace clause” on industrial subsidies, as “what is good for the goose is good for the gander”. The time has come to do away with the sophistry on industrial subsidies. (SUNS9620)

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Dealing with inflation, really

Jayati Ghosh bemoans the economics profession's inability to think beyond crude analyses of inflation – and crude policies to stem it.

The inflationary wave has revealed all sorts of things about governments but also, more tellingly, about economists. The number of economists, and consequently policymakers, who remain wedded to the unyielding idea that inflation results from too-loose monetary policy – hence central banks should restrict the money supply and raise interest rates – is legion. It has become what J.K. Galbraith would have called the “conventional wisdom”.

It is still wrong. The causes of inflation vary by context and period. Tighter monetary policy is a blunt tool which risks generating recession and unemployment – harming workers even more than price increases. And besides this human suffering, if the drivers of inflation lie elsewhere, reducing the excess demand purportedly at fault will not even resolve the problem.

These obvious facts seem almost forgotten in mainstream discussion. Even the respected economist Olivier Blanchard, in a series of tweets, suggested that increasing unemployment was the only way to control inflation. The problem, apparently, was how to get workers to understand and accept this:

“One thought about inflation fighting. 1. When inflation comes from overheating, convincing workers that the economy needs to slow down, and that unemployment has to increase to control inflation, is hard but at least the logic can be explained. 2. When inflation comes from an increase in commodity and energy prices, convincing workers that unemployment has to increase to control inflation, is even harder. ‘Why should I lose my job because Putin invaded Ukraine?’ 3. This makes the job and the communication strategy of central banks very hard indeed.”

Leave aside the highly problematic assertion that “unemployment has to increase to control inflation”, which has been effectively refuted, conceptually and empirically, over the past two decades. Consider only the possibility that the driver of price rises is not “excess demand” or workers demanding higher wages because they are not being adequately

“disciplined” by unemployment, but corporate profiteering, along with financial speculation in commodities markets.

There are good reasons to believe this is the case, especially in global markets and in the advanced economies. (In many low- and middle-income countries, the causes of inflation are more complex and mostly come from cost-push factors, including imported inflation from global prices and currency depreciations.)

Corporate profits

In the United States, for example, the Economic Policy Institute has shown that increasing corporate profits have contributed disproportionately to inflation. From the second quarter of 2020 to the last quarter of 2021, corporate profits were responsible for 54% of overall inflation – a dramatic increase from the 11% they accounted for in the previous four decades (1979-2019).

By contrast, unit labour costs were responsible for less than 8% of the inflation, compared with 62% in the previous four decades. Indeed, because of the recent price rises, the real value of the federal minimum wage is now at its lowest point in 66 years! The contribution of *non-labour* input costs – the famous “supply-chain issues” so widely advertised – was 38%, compared with 27% in the earlier period.

Companies’ ability to raise profit margins could itself be due to increased demand. Pent-up demand from households unable to spend much during the pandemic could have had an effect, especially given the very large fiscal stimuli of successive US administrations.

But a much bigger role was played by growing concentration and monopoly power in industry. Massively increased corporate profits were most evident in energy, food and pharmaceuticals, as the supply shortages resulting from the war in Ukraine became convenient excuses for disproportionate price increases.

Research by the Roosevelt Institute shows that in 2021 firms in the US

increased their mark-ups and profits at the fastest annual pace since 1955, taking both to their highest absolute levels since that booming postwar decade. The researchers note that pre-pandemic markups were a strong predictor of markup increases in 2021, making market power a significant driver of inflation.

While the public perception of the current food crisis is all about war-related supply shocks, again company behaviour has proved more significant. The major grain-trading agribusinesses experienced dramatic increases in profitability in January-March 2022. They raised their prices without being questioned – everyone assuming this to be the result of war-driven shortages.

Financial speculation, such as in wheat futures, drove up prices even in spot markets and the recent decline in wheat prices similarly reflects changes in futures contracts. (This is typical of speculative bubbles, which while often driven by news also tend to be affected by herd behaviour rather than real-world events.)

Such increased speculative activity is confirmed by important work by Agarwal, Lei Win and Gibbs (<https://thewire.in/economy/speculation-is-contributing-to-global-food-insecurity-significantly>), who have tracked the activities of financial investors (investment funds in particular) in commodity markets. They find that, for example, “in the Paris milling wheat market, the benchmark for Europe, speculators’ share of buy-side wheat futures contracts has increased from 23% of open interest in May 2018 to 72% in April 2022”. Similarly in May 2022, speculators’ long positions (buying positions) constituted over 50% of open interest in Hard Red Winter and Soft Red Winter wheat varieties.

Regulatory action

If recent global price increases – which then translate into inflation of varying extent in different countries – are driven by such factors, then the policy response should be very different from the blunt instrument of aggregate monetary policy. It should instead focus on regulatory action to curb monopoly power and financial speculation. Taxation of excess profits could be a deterrent to such behaviour in future, but specific actions to control prices of strategic commodities also have a role, as Isabella

Weber noted (<https://www.theguardian.com/business/commentisfree/2021/dec/29/inflation-price-controls-time-we-use-it>). Those who have pilloried such policies appear to be unaware of both history and wider experience.

The paucity of creative thinking about the causes of, and responses to,

inflation reflects the sorry state of the economics discipline. It is likely to have severe consequences, economically and politically.

Jayati Ghosh is professor of economics at the University of Massachusetts Amherst and executive secretary of International

Development Economics Associates. She is a member of the Independent Commission for the Reform of International Corporate Taxation and of the United Nations Secretary-General's High-Level Advisory Board on Effective Multilateralism. The above article was originally published jointly by [Social Europe](#) and [IPS-Journal](#).

Health Action International Asia Pacific at 40 (1981-2021)

A Chronicle of Health Heroes, Historic Events, Challenges and Victories

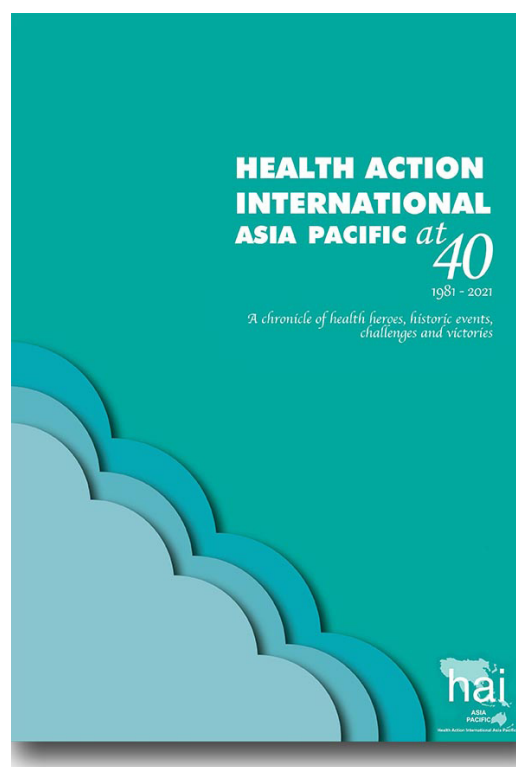
Prepared and edited by Beverley Snell

Published by Third World Network, Health Action International Asia Pacific, International Islamic University Malaysia, Gonoshasthaya Kendra, and Drug System Monitoring and Development Centre

This book commemorates the 40th anniversary of Health Action International Asia Pacific (HAIAP), an informal network of non-governmental organisations and individuals in the Asia-Pacific region committed to resistance and persistence in the struggle for Health for All Now.

HAIAP is the regional arm of Health Action International – upholding health as a fundamental human right and aspiring for a just and equitable society in which there is regular access to essential medicines for all who need them. HAIAP works with governments, academic institutions and NGOs at community, national and regional levels on issues such as promoting the essential medicines concept, equitable and affordable access to essential medicines, rational use of medicines, ethical promotion and fair prices. While promoting awareness of the impact of multilateral agreements, particularly TRIPS and GATT, on access to affordable healthcare and essential medicines, HAIAP advocates for poverty eradication and action on other priority themes relevant to countries in the Asia-Pacific region.

Available at <https://twon.my/title2/books/HAIAP%20at%2040.htm>



Lurching from food crisis to food crisis

The world is in the throes of yet another food crisis, and the causes are rooted not in the Ukraine war but in our increasingly industrialized and financialized agriculture systems.

by GRAIN

When will those occupying spaces of “power” ever get the message right? As the world faces a worsening food crisis – the third in 15 years, experts say – one would think that a convening of so many governments as we saw at the “Uniting for global food security” conference in Berlin in late June would result in strong and smart actions. Nope. Instead, we get a couple of new coalitions, a bit more money on the table and a lot of business as usual. It’s nowhere near what’s needed to turn the crisis around.

A lot of new data and analysis have been coming out the last few weeks which give us a better understanding of what’s going on and how we might deal with it. Here are some key things we’ve learnt.

We face a price crisis, not a food shortage. Food prices have been rising all around the world together with, and partly because of, energy costs. These price rises hurt the poor and the vulnerable the most. But there is no food shortage. Some countries, like China or India, have ample food reserves as a food security strategy – and they should be allowed to do so, despite ongoing debates at the World Trade Organization about whether and how food reserves and export bans distort trade.

But the overall effect of our increasingly industrialized food systems is specialization, overproduction and tremendous waste. Some 60% of the wheat produced in Europe goes to animal feed, while 40% of the maize grown in the US is turned into fuel for cars. On a global level, 80% of the world’s soybean crop is fed each year to animals while 23% of the world’s palm oil is turned into diesel. Countries like Vietnam, Peru, Côte d’Ivoire and Kenya devote a massive amount of resources to growing and exporting farm products that are not essential, like coffee, asparagus, cacao and flowers. Meanwhile, countless hectares around the world are used to produce crops for processed junk foods totally devoid of nutrition. We don’t lack production, globally speaking. But we do have high prices, plus labour and distribution problems.

Unfortunately, lobby groups have instrumentalized the crisis to try to roll back agricultural policy reforms and climate objectives, arguing that we need to produce more. The European Union’s new Farm to Fork strategy, which aims to better align farming practices with sustainability imperatives, has been put into question due to these pressures. Debates have also erupted in numerous countries about whether or not to lift biofuel mandates, aimed at lowering climate-altering carbon emissions, in order to allow crops to be used for food instead. (At the same time, high prices at the pump are driving investors to reactivate biofuel production in places like Brazil.)

The causes are more structural than the war in Ukraine. Many political leaders are blaming Russia for rising hunger, for ideological purposes. It is true that Russia is currently blocking exports of grain, oilseeds and fertilizer from Ukraine, as well as from its own shores. (Western governments insist that these goods are exempt from their sanctions.) But wheat and sunflower oil from Russia and Ukraine can be substituted by other sources

and other types of grains and oils. The deeper problem is that some countries – such as Egypt, Senegal or Lebanon – are highly dependent on these two nations for their imports. They are the ones that, in the long term, need to find alternative solutions, preferably by supporting their own small-scale farmers to build diverse local agricultural systems and by strengthening regional markets.

About 20 countries source more than half their wheat from Ukraine and Russia. And just seven countries plus the EU represent 90% of the world’s wheat exports. No wonder, then, that as few as four companies (Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus) account for the bulk of this trade. While some of it is disrupted due to the war, the biggest rise in hunger is concentrated in countries themselves affected by conflict, such as Afghanistan, Yemen, Syria, Eritrea, Somalia and the Democratic Republic of Congo. This is not related to the situation in Ukraine. “Stop spreading fake news, Africa doesn’t need Ukraine’s wheat,” Malian peasant leader Ibrahima Coulibaly hammered recently. He was reacting to the war being used as yet another excuse to push Western agricultural imperialism, which has destroyed forests, farmland and food diversity across the Global South.

Speculation is a big part of the problem. Data now available show that the current food price crisis did not start with the war in Ukraine but as a result of a wider set of problems. These include the COVID-19 pandemic (with the disruption that it brought and continues to bring to international supply chains), the climate crisis and speculation on financial markets. Figure 1 shows quite clearly that the rise in food prices is disconnected from production and supply, which are stable. Why is that? In part because investors – be they banks, pension funds or just

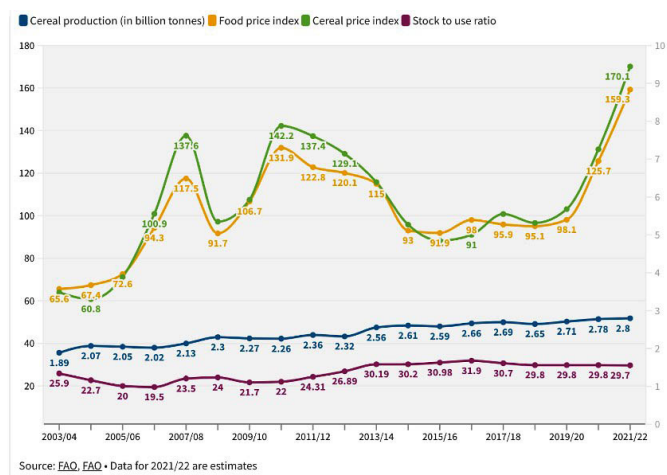


Figure 1: Food prices (yellow and green) are disconnected from production and stock volumes (blue and purple).

Source: The Wire, May 2022

individuals – are buying shares of funds that allow them to bet on future commodity prices, with real-world effects on the current price of the commodities. This is well documented and known to governments. In fact, it's similar to what occurred in the 2007-08 food and financial crisis. The problem is that efforts to regulate these funds have been sabotaged by the finance industry itself in influential markets such as the United States and Europe. This kind of commodity speculation is even being detected on Chinese stock exchanges now.

Political parties and civil society coalitions are calling for limits on the number of commodity contracts that financial investors can hold. This would seem to be the least one could do. Right now, investors running away from bitcoin, a major cryptocurrency which has lost more than half its value in the last few months, are reportedly moving over to agricultural commodities to make money. Others are saying we could tax these financial transactions or require that voluntary withdrawal from commodity markets be a criterion for meeting good investing credentials. But the fundamental lack of transparency that these markets are built upon is a huge problem.

Shortages could ensue. Farmers around the world are grappling with a doubling and even tripling of prices for inputs, especially chemical fertilizers, as can be seen in Figure 2. This is compounded by rising interest rates on the credit farmers typically borrow to purchase inputs, as well as by the high costs of fuel – another major input for farmers. Many farmers have little choice but to cut back on inputs and this means harvests will decline. Consumers can't shoulder the spiralling costs of food production either. The result could be a catastrophic collapse of both ends of the food system.

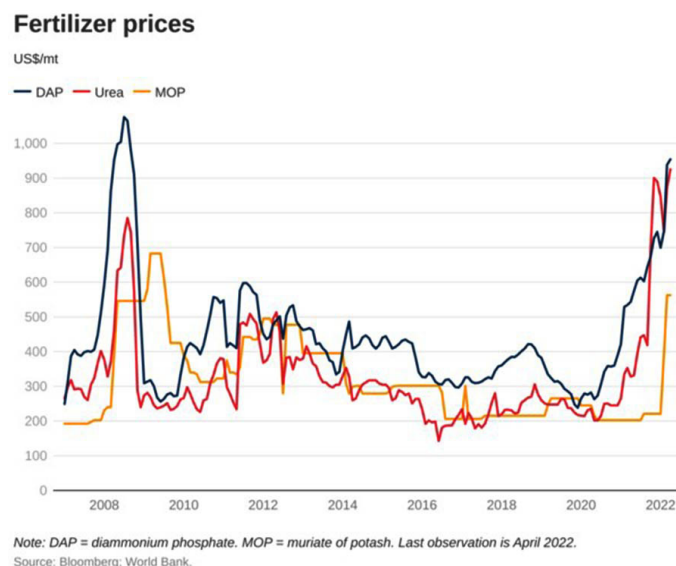


Figure 2: Fertilizer prices have risen dramatically since 2021.
Source: World Bank, May 2022

In the short term, governments must step in with subsidies for basic foods. If they don't, people will increasingly take to the streets, as we recently saw in Ecuador. Yet the problem for many governments is that they are already heavily burdened with debt, and it will be difficult and costly for them to turn to subsidies, without coming under fire from their creditors, whether public lenders like the International Monetary Fund or private

investment firms like BlackRock.

Inputs aside, disrupted, shifting and extreme weather patterns as a result of climate change are already making food production more complicated and difficult. In India, heatwaves are driving grain yields down and food prices up. In Kenya and the US, livestock are dying due to climate-driven distress, while globally, soils are being destroyed, generating much more risk for the food supply. Thus, alongside the immediate fight for subsidies, actions should also be taken to shift agricultural production as quickly as possible away from a reliance on chemical inputs. This is something that is urgently needed to deal with the climate crisis anyway.

We can fix this

So how do we move forward? Numerous governments and central banks are trying to tame overall inflation through monetary policy while buffering the impact on people through social safety nets. Those that met in Berlin in late June agreed to put some more money to help support and protect the most vulnerable. But we need more radical and fundamental action.

- The vulnerability of our food systems to financial **speculation** has to be a priority. There are many measures that could be debated to not simply close some loopholes but actually ban certain actors and instruments from dealing in food – and speculating on food prices – altogether. These should go hand in hand with long-called-for moves to enforce antitrust legislation, weed out corruption, including price gouging, and allow public control over food prices.
- Building **food sovereignty** is the next crucial task. Not in the sense of nationalism, borders, jealously guarded stockpiles and isolation. The cracks in our food systems are coming from the industrialized segment, with its focus on a few commodities, massive-scale production, uniformity and the dispossession of workers and local communities in order to make and keep food supposedly cheap. This is the production system that cannot withstand climate shocks while it continues generating enormous social and ecological harm. Food sovereignty, which relies on sustainable production methods and practises solidarity, is the best defence against financial speculation and corporate control in our food systems.
- Social movements like La Via Campesina and women's networks like the Asia-Pacific Forum on Women, Law and Development are also developing innovative proposals about how to redesign international **trade** rules and institutions so that they really serve food systems that can feed us – supporting small-scale food producers and vendors – rather than the other way around. This requires moving away from the current regime of free trade agreements and investment treaties. But rethinking how we organize trade, and making it subservient to the needs of local food systems, also means putting in place urgently needed measures to ensure access to land, especially for youth and women.
- Given the debates around the current crises, not just food, it is abundantly clear that social goals and the **common good** have to take priority. This means that we need to move away from the currently dominant role played by corporations. For all the talk about corporate responsibility and accountability, what we continue to get are false solutions, greenwashing and ongoing destruction while their profits

keep rising. As corporations are the ones pushing chemical inputs and reliance on fossil fuels, it is really time to change strategy.

There are tonnes of good ideas on the table about how to reshape our food systems – and fleets of social movements eager to take the reins and put them in practice. Perhaps this food crisis can serve to bring movements together to get some serious

action going.

GRAIN is a small international non-profit organization that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. This article is reproduced from its [website](#).

Gendered Austerity in the COVID-19 Era: A Survey of Fiscal Consolidation in Ecuador and Pakistan

by *Bhumika Muchhala, Vanessa Daza Castillo and Andrea Guillem*

Austerity is gendered in that the power relations that shape the distribution of resources and wealth as well as the labour of care and reproduction turn women and girls into involuntary “shock absorbers” of fiscal consolidation measures. The effects of austerity measures, such as public expenditure contraction, regressive taxation, labour flexibilization and privatization, on women’s human rights, poverty and inequality occur through multiple channels. These include diminished access to essential services, loss of livelihoods, and increased unpaid work and time poverty. This report examines the dynamics and implications of gendered austerity in Ecuador and Pakistan in the context of the fiscal consolidation framework recommended by International Monetary Fund (IMF) loan programmes.

Available at <https://twon.my/title2/books/pdf/GenderedAusterity.pdf>

