

Food for thought: The NON financial crises and CSR

By Wayne Visser

In the midst of the financial crisis media hype, it is easy to forget that other "non-financial" crises continue unabated. I am particularly struck at the moment by the food crisis and its implications for CSR. Here are some of the facts, according to Oxfam:

- The number of malnourished people in the world rose by 44 million in 2008
- In the horn of Africa, 17 million people are on the brink of starvation
- Five months after countries pledged \$12 bn to the global food emergency, less than \$1 bn has been given
- Meanwhile, over 30% of the world's grain crop goes to feeding animals rather than people directly
- And food companies continue to see sales and profits rise, e.g. Nestle's global sales rose 8.9% January to June and Tesco saw profits up 10% from last year

Of course, food is not the only silent crisis in our midst. A recent study by Pavan Sukhdev, the Deutsche Bank economist who led a European study on ecosystems, reports that we are losing natural capital worth between \$2-5 trillion every year as a result deforestation alone. Compare that with the losses incurred so far by the financial sector of "only" \$1-1.5 trillion.

As George Monbiot argues in The Guardian, the two crises have the same cause. "In both cases, those who exploit the resource have demanded impossible rates of return and invoked debts that can never be repaid. In both cases we denied the likely consequences".

What are the implications for CSR? Are we seeing a food crisis looming at the macro-scale similar to what we saw in Zimbabwe at a micro-scale? And in this case, do companies with operations in developing countries need to start thinking about food security as one of their first and main CSR priorities? Or perhaps business should be lobbying Western governments to deliver on their aid promises? Maybe companies, with their vast land ownership and excess capital, should be the leaders in a reforestation revolution on a massive scale?

One thing is for sure, both the food and ecological crises are likely to get worse rather than better in the coming recession years. And companies, especially those in the food and extractives sectors, are going to find it increasingly hard to justify excessive profits when people around the world are dying from starvation and the world's lungs are being damaged by cancerous economic growth.

Source:

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