

China, the WTO, and the Environment

China's membership in the World Trade Organization (WTO) is having profound environmental impacts, particularly in agriculture, forestry, aquaculture, automaking, energy, and textiles, according to a report from the government's Task Force on WTO and the Environment. In agriculture, for instance, China's land and water shortages and labor surpluses suggest that

land- and water-intensive farming of grains is shrinking while labor-intensive production of fruits, vegetables, and livestock expands. The loss of grain production is reducing food security and has already led to China's first-ever agricultural trade deficit.

In forestry, accession is leading to adoption of more efficient technologies and improved forest management programs. However, timber importation is growing rapidly, with much of it coming from areas practicing poor forest stewardship. In aquaculture, exports are growing rapidly because aquaculture is labor-intensive and improves food security. Continued growth will depend on protecting the heavily pollution-threatened marine environment.

Despite strict emission standards, the

explosive growth of auto usage is creating a major new source of air pollution. But because the current car fleet is small, China can reduce its impacts by maximizing fuel efficiency standards, deterring the use of large vehicles, and stressing mass transit systems. In the energy sector, rapid economic growth is driving energy demand—and thus coal use—sharply upward. Energy conservation, accurate pricing, and clean coal technologies will be essential to reduce demand and environmental impacts. Finally, textile production is expected to continue rising rapidly, especially after the WTO exportation quota expires in 2005. As output increases, so will waste-water releases, and the sheer scale of growth may overwhelm any positive benefits from accession.

China's accession to the WTO offers a unique opportunity to drive ecologically sustainable development. However, without prioritization of environmental concerns it will more likely accelerate ecological damage.

—Erik Assadourian



UNEP/Peter Arnold, Inc.

WTO membership is driving growth of Chinese fish farms.

The Price of Hunger

For the first time since it began keeping track in the 1970s, the United Nations Food and Agriculture Organization (FAO) reported that the number of hungry people around the world has increased. According to the latest edition of the agency's annual *State of Food Insecurity*, 852 million people go hungry every day, about 18 million more than during the mid-1990s.

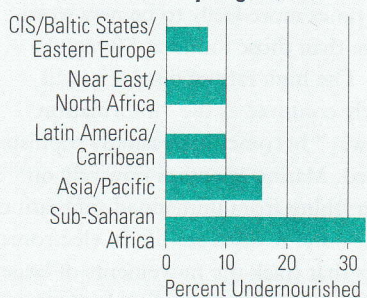
Put another way, hunger kills more than 5 million children each year, or about one child every five seconds.

Although hunger primarily afflicts the poor, it's actually a very expensive problem for everyone else as well. If governments weren't paying the direct costs of coping with the damage caused by hunger—such as food aid, and illness related to malnutrition—more funds would be available to combat other social problems. “A very rough estimate suggests that these direct costs add up to around \$30 billion per year,” says the report, “over five times the

amount committed so far to the Global Fund to Fight AIDS, Tuberculosis, and Malaria.” In addition, the current levels of child malnutrition will result in productivity and income losses over the lifetimes of the people affected of between \$500 billion and \$1 trillion (at present value), the report estimates.

“Hunger reduction is not an act of charity,” says Kostas Stamoulis, lead author of the report and chief of FAO's Agricultural Sector in Economic Development Service. “It is an investment with very high returns.”

Undernourished by Region, 2000–02



Ironically, the resources needed to eliminate the human suffering and loss of lives are small in comparison to the potential benefits. Every dollar invested in reducing hunger can yield from five to over 20 times as much in benefits. The report points to more than 30 countries in the developing world that have successfully reduced the numbers of the hungry.

“We cannot afford to be passive,” argues Hartwig de Haen, FAO assistant director-general for economic and social development. “Taking decisive action to reduce hunger is one of the most effective ways for developing countries to increase incomes and accelerate economic growth.” In the meantime, the recent increase put the world farther behind in the international Millennium Development Goal to reduce the number of hungry people by half by 2015.

For more information, see www.fao.org.

—Brian Halweil