



Written by [Raven Clabough](#) on April 18, 2011

World Leaders Address Rising Food Costs in Weekend D.C. Meetings

According to the International Monetary Fund and the World Bank, the global economy is “one shock away from a “full-grown crisis.” In a weekend-long meeting at the World Bank building in Washington, D.C., global leaders discussed the global economy and the financial struggles that lie ahead.

IMF’s [website](#) explains of the meetings:

Each Spring, thousands of government officials, the private sector, journalists, civil society representatives, and other interested observers gather in Washington DC for the Spring Meetings of the World Bank and IMF. At the heart of the gathering are meetings of the joint World Bank-IMF Development Committee and the IMF’s International Monetary and Financial Committee, which discuss progress on the work of the World Bank and IMF. Also featured are seminars, regional briefings, press conferences, and many other events focused on the global economy, international development, and the world’s financial markets.

This past IMF Spring Meeting weekend consisted of a Friday G-20 conference in which leaders agreed that improved monitoring of global imbalances is necessary, and a Saturday meeting focused on the challenges ahead.

VOA News [explains](#):

Late Friday, finance ministers announced agreement on a mechanism to monitor countries and prod them to take corrective actions when imbalances in areas such as foreign trade or government debt rise to excessive levels.

French Finance Minister Christine Lagarde, chair of the G20 summit in France later this year, labeled Friday’s agreement a “significant achievement,” adding:

Suffice to say that we’ve made, in my view, huge progress in relation to the framework for growth. I think agreeing on the indicative guidelines was a major step in the direction of establishing the right policies with the appropriate spillover effects and not negative spillover.

The goal of the weekend meetings, according to VOA News, is to find ways “to measure imbalances that contributed to the financial crisis.” CNTV [reports](#) of the meetings:

It’s the fourth year of the global financial crisis, and the world economy is slowly picking up. But there are still great vulnerabilities and uncertainties.

That’s the message world financial leaders are sending out from their spring meeting.

Robert Zoellick, President of the World Bank, claims that the surge in food prices is the greatest threat to the world’s poor, having pushed 44 million people into poverty over the course of the past year. He elaborated:

Of particular concern is food prices. This is the biggest threat today to the world’s poor, where we risk losing a generation. We are one shock away from a full-grown crisis. The financial crisis taught us that prevention is better than cure. We cannot afford to forget that lesson.

Leaders at the conference were advised to remain vigilant in their efforts toward financial recovery during these trying times. VOA News reports:



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Finance ministers and central bankers attending the World Bank IMF Spring Meeting in Washington, D.C., agree the threat of another global downturn has receded. But the recovery remains fragile. Ahead of the meeting, IMF managing director Dominique Strauss-Kahn warned leaders not to become complacent.

Strauss-Kahn declared, "It's not the recovery we want because it's still imbalanced between countries and it's also imbalanced within countries. That's certainly the reason why uncertainty is still very high."

Tharman Shanmugaratnam, head of the IMF steering panel, declared:

We have new vulnerabilities and new risks — the tragedy in Japan, developments in the Middle East, the prospect of higher commodity prices, and other new risks. So, there is a sense around the table in all our discussions that we are still in a fairly fragile situation. We have to be extremely watchful.

Among those new vulnerabilities are the skyrocketing debt in the United States and China's unwillingness to allow its currency to rise in order to reduce its dependencies on exports.

According to the director of the South African National Treasury, Letsetja Kganyago, the spike in oil and food prices is of primary concern:

This is a basic need for our citizens. And if we are to see the same effects that we have seen in 2008, where you had prices rising to the extent that they did and where you saw in other areas where you had food shortages, then we are going to be running into all sorts of problems.

Photo: International Monetary Fund (IMF) Managing Director Dominique Strauss-Kahn speaks at the 2011 Spring Meetings of the World Bank Group/IMF, April 14, 2011, in Washington: AP Images



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