Climate Change and Food Price Shocks Threaten to Reverse Arab Spring

A new report by think tank E3G warns that the spread in democracy following the Arab Spring could be reversed due to the failure of the Group of Eight (G8) governments to help the Middle East-North Africa (MENA) region to address the threat of food and energy price shocks.

Climate models consistently estimate that warming will occur much faster in this region than the global average. A reduction in rainfall is also expected by mid-century. This will accentuate the growing scarcity of water driven by population growth, industrialisation and depletion of aquifers which is already acute across the region.

Food prices will increase as a major cause of economic shocks in the region. There is an immediate risk of surging food prices in 2013 due to recent US droughts. Modelling also suggests major import crops like wheat are likely to increase in price by up to 80% by 2030 due to growing global demand, and climate change could increase prices by a further 40%. Food price volatility will increase even more rapidly as climate change drives extreme weather events in producer countries.

Nick Mabey, CEO of E3G said: “Resource scarcity and rising temperatures are already compounding the many economic and political challenges facing these countries. Investments in efficiency and low carbon infrastructure are wrongly seen as a luxury that these countries cannot afford. In fact, these investments can insulate the region against damaging price shocks while also delivering greater longer term economic value and stability.”

The report, “Underpinning the MENA Democratic Transition: Delivering Climate, Energy and Resource Security”, argues that existing Government investment support is broadly focused on providing incentives for continued democratic reforms, building civil society institutions and providing immediate jobs for young people. While these are important, there is a failure to systematically address other vital areas for stability such as exposure to energy and water shocks, and no clear approach to medium term stability. These risks are unlikely to be mitigated merely
through stronger GDP growth and greater focus will be needed on directly building national resilience.

The report recommends that donor countries and regional partners work together to focus on four strategic priorities: improving resilience to shocks, economic diversification into resource efficient industries, building resilient infrastructure, and focusing support on a few high impact stability and development objectives.

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Contact: Nick Mabey, CEO, London. +44 (0) 20 7593 2020
Nick.mabey@e3g.org

Sabrina Schulz, Head of Office, Berlin. +49 (0) 30 28873405
Sabrina.schulz@e3g.org

Taylor Dimsdale, Senior Research Associate, Washington, DC. +1 202 466 0573
Taylordimsdale@e3g.org