



Centre for World Food
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Global Action for Food Security*

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A world in which people are food secure is a world in which all people have access to sufficient food to sustain a healthy and productive life; where malnutrition is absent; and where food originates from well-integrated, competitive, and low-cost systems based on the sustainable use of natural resources, gender equity, and a reduction in child labor in agriculture. Enhancing people's access to sufficient food means ensuring production for today's 6.2 billion people and tomorrow's possible 8.5 billion (by 2030). It also means doing whatever possible to meet the Millennium Development Goal (MDG) of halving the proportion of people who suffer from hunger by 2015, which will require a rapid increase in productivity and an increase in social investments. According to an estimate by IFPRI's IMPACT model, it will also require an increase in the level of investment in agriculture, infrastructure and social sectors from the current US\$ 21.5 billion to US\$29.5 billion.

** This brief is based on a presentation by the two authors in Amsterdam on September 27, 2006 in celebration of World Food Day on global mechanisms to reduce hunger, and on subsequent dialogues.*

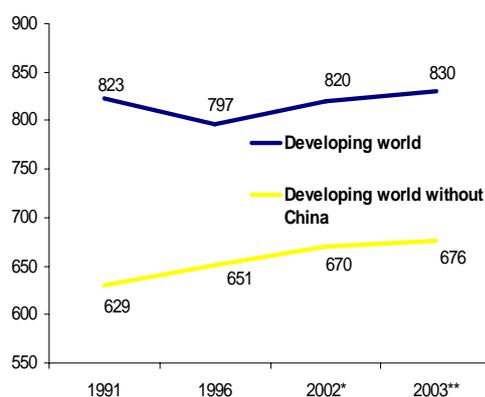
What is hunger and who is affected by it?

At its most basic, hunger results from a deficiency of calories and protein. However, hunger and malnutrition involve micronutrient deficiencies, as well as overnutrition due to an excessive consumption of nutrient-poor foods. Both malnutrition and overnutrition result in serious health issues. Because undernourishment data at the household level are not collected on a regular basis, it is difficult to track progress in food security. Nevertheless, the Food and Agriculture Organization of the United Nations (FAO) provides yearly estimates on the number and proportion of undernourishment based on country food supply data, and while these figures are disputed by some, they do enable some tracking of progress. According to the FAO estimates, 830 million people in the developing world suffered from hunger in 2002-2004, and half of them were small farmers.

Although remarkable progress has been made in reducing global hunger during the past several decades, much of that progress has occurred in China, which managed to reduce the number of people living below a dollar a day from more than 30 percent of the population in 1990 to less than 10 percent in 2004.



Figure 1: Number of undernourished people, in millions



Source: FAOSTAT 2006

Notes: Data represent estimates for 3 year period

*2001-2003 data is provisional

**2002-2004 data is preliminary

Excluding China from the equation reveals that the number of undernourished people in the developing world has actually increased by around 25 million since the mid 1990s. In absolute terms, Asia—especially South Asia—is home to most of the undernourished but proportionately, Africa is hardest hit.

While some lessons for Africa can be drawn from the economic development paths of China, India, and Bangladesh, it is important to also take note of the different circumstances facing each region. Africa has several handicaps Asia did not have, including significant geographic constraints such as poor soils, unpredictable droughts, and other factors such as the impact of HIV/AIDS, prolonged conflicts, weak governance, and low savings rates.

At two-pronged approach to achieving food security and economic development in Africa

In general terms, economic development is the engine that can help achieve food security, but it needs to be tailored to the socioeconomic contexts of each developing country, and even then, there is debate over the best path to take. Some observers argue that

improving the agricultural sector in Africa will have an immediate impact on the economy and on food security in the region. Others, who draw on the recent Asian example, argue that stimulating economic development by means of entrepreneurship in business and government is the best path to economic growth, and ultimately, to providing an impetus for agriculture and food security.

However, the two approaches can be mutually beneficial. It is important for African countries—where the majority of the population lives in rural areas and depends on agriculture for its livelihood—to initially concentrate on the agricultural sector. As studies have shown, agricultural growth can have a significant impact on other sectors of the economy as well; each additional dollar of income generated in agriculture leads to another \$0.6 to \$0.9 of income in the local rural nonfarm economy in Asia, while in Africa and Latin America, it leads to additional incomes of \$0.3 to \$0.5 and \$0.4 to \$0.6, respectively.

But after an initial phase of agriculture-fuelled growth, African countries should take advantage of China's recent business-oriented experience and strategies to spur growth in urban areas, which will in turn have an impact on the agricultural sector. Pursuing both strategies can generate a win-win cycle with a significant impact on economic growth and food security in the region.

An initial focus on agriculture and rural areas

A strategic framework for economic growth in developing countries that focuses on the agricultural sector and rural areas must include four essential elements:

- growth fostered by market development and trade at the regional and global levels,
- public investment in rural areas
- targeted food and nutrition interventions, and
- insurance and social protection policies

Markets and trade

Because trade liberalization at the global level could have a significant impact on rural areas, the failure of the July 2006 World Trade Organization's Doha talks represents a setback for developing countries: according to recent estimates, if the free access of least developing countries to wealthy country markets is increased from the current 97 to 100 percent, world income would increase by US\$14 billion, about half of which would go to the poorest countries. Under an alternative scenario, if the percentage of agricultural products defined as "sensitive" and "special" were reduced from 5 percent to 1 percent, world income would increase by an additional \$7.3 billion.

Public investment in rural areas

Large-scale public investments in rural areas, home to the majority of the world's poor, are crucial to enhanced agricultural growth and accelerated poverty reduction. Recent studies show that in India, public investments in agricultural research and development and in roads generated the highest and second highest returns to poverty reduction, respectively, while in China they generated the second and third highest returns (after education).

Targeted food and nutrition intervention

Because the poor—especially the rural poor—are more exposed to serious economic, political, social, and health risks but have the least access to risk-management tools, it is necessary to implement micro-level interventions that target these vulnerable populations, such as school feeding programs to improve child nutrition.

Credit, insurance, and social protection

Social protection schemes can take many forms including labor-market interventions (employment programs); credit, health insurance

and pension systems; and crop insurance for poor farmers. In order to determine which insurance and social-protection schemes would be the most effective, the sharing of experiences across countries/regions and the development of more experimental designs would be beneficial. But potential trade-offs with pro-poor public investment for growth promotion need to be taken into consideration before establishing insurance and social protection mechanisms. However, the optimal program mix would be a function of institutional conditions and each country's development status.

A subsequent focus on entrepreneurship in business and government

Once African countries have reached an initial level of growth, they can draw from China's strategy and experience in recent decades to sustain the growth by focusing on entrepreneurship in business and government.

Drawing from this experience, and taking into account growth in the agricultural sector and rural areas, several elements for economic growth in Africa based on entrepreneurship in business and government emerge:

- Growth can be urban-based, as recent developments in China have shown, but would still use agriculture-fishery-forestry products as raw materials.
- The production and trade of both staple foods and high-value products can be major drivers of development.
- Growth should concentrate on a few key areas with great potential, though many "marginal areas" have considerable growth potentials when their opportunities are enhanced through market access.

Urban-based growth

Development policies should accept and make use of labor migrations to centers of high population densities to create geographic poles of rapid growth. The resulting remittances from workers to poorer rural areas and the internal

search for low wages will help spread growth over the country. An added benefit is that nutrition is generally better in urban areas.

High-value products

The export of high-value products can be a driver of development. Global demand for meat, eggs, fish, and dairy products is booming, but is also increasing demand for animal feeds such as grains (maize and barley), oilseeds (soybean, rapeseed), roots (cassava), and residuals (citrus pulp), some of which are also being targeted by the biofuels industry. Interestingly, developed countries are increasingly supplying this demand for animal feed in developing countries, while developing countries are at the same time penetrating developed-country markets through the production and export of high-quality products.

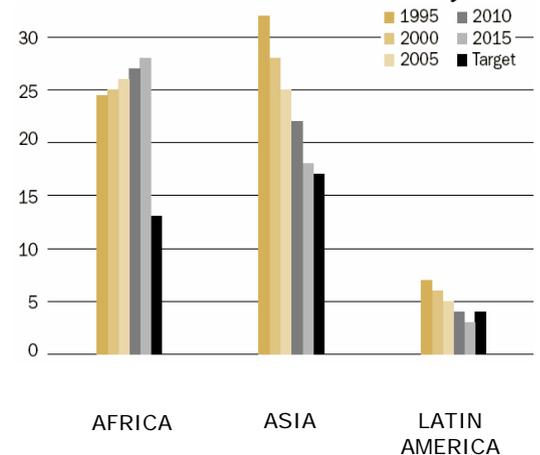
Concentrated growth

Growth oriented public investment should focus not only on the poorest, but also on those capable of inducing growth and employment: the entrepreneurs. Entrepreneurship capabilities exist among the poorest but are generally not as widespread in that sector of society as in others. Assistance should extend beyond investments in health and education and should help organize institutions on a higher geographical scale—not just in least-developed areas. However, “marginal areas” are often marginal because they lack market access and have poor infrastructure.

Conclusion

By taking charge of their own development and growth performances, China and India are on track to ensure that the MDGs related to hunger and child mortality may be achieved. They will manage this without much foreign aid, but with significant foreign direct investment and foreign technology importation.

Figure 2: Undernourishment among children (% of undernourished children)



Source: UN Millennium Report 2005

Africa has the potential to follow some of the lessons learned, but has to find its own way. There are some encouraging signs:

- Food production has kept up with population growth: while yields are stagnant, there is increasing land-use intensity, more cash crops in some areas, and a rise in farm surplus that has generally been enough to feed the cities.
- GDP may be rising faster than previously thought in urban areas: GDP estimates often miss dynamic footloose sectors such as transport and construction.
- African leaders are actively involved in regional networks to promote the development of the continent, including the Comprehensive African Agriculture Development Programme (CAADP) under the New Partnership for Africa's Development (NEPAD).

Therefore, Africa may already be on a growth track, primed to take advantage of initiatives in the agricultural, business, and government sectors. To maximize the continent's potential, development efforts should:

- combine growth-oriented strategies with the fight against poverty and hunger;
- not only target health and education and social transfers to

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- the poorest, but also support for entrepreneurs;
- promote accountability and other aspects of good governance and strengthened institutions and focus on strong government capacity at the national and local levels;
 - involve other stakeholders such as farmers' organizations, the business sector, consumers' associations, and the media in the decision making and implementation processes; and
 - accept that growth cannot occur overnight—a long-term perspective is needed.

What can other regions do to help?

- Developed countries can use their voice in the World Trade Organization to establish a fairer world trade system, and must also assist in emergency relief efforts.
 - Countries with comparative advantages in innovation, science, and technology can support initiatives for strengthening innovation to achieve food security.
 - The private sector can more actively participate in pro-poor agri-food system development.
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The Centre for World Food Studies (Dutch acronym SOW-VU) is a research institute related to the Department of Economics and Econometrics of the Vrije Universiteit Amsterdam. It was established in 1977 and engages in quantitative analyses to support national and international policy formulation in the areas of food, agriculture and development cooperation.

SOW-VU's research is directed towards the theoretical and empirical assessment of the mechanisms, which determine food production, food consumption and nutritional status. Its main activities concern the design and application of regional and national models, which put special emphasis on the food and agricultural sector. An analysis of the behavior and options of socio-economic groups, including their response to price and investment policies and to externally induced changes, can contribute to the evaluation of alternative development strategies.

SOW-VU emphasizes the need to collaborate with local researchers and policy makers and to increase their planning capacity.

SOW-VU's research record consists of a series of staff working papers (for mainly internal use), research memoranda (refereed) and research reports (refereed, prepared through team work).

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