

Food Insecurity: a Growing Threat in Asia

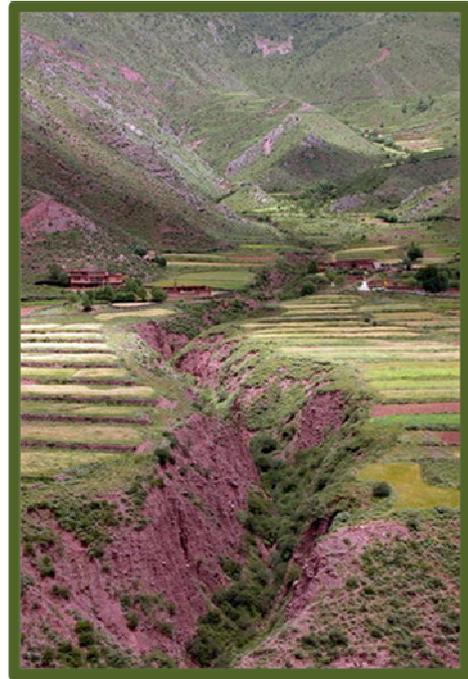
By

Amitava Mukherjee Ph.D.

Senior Economic Affairs Officer and Head,
UNESCAP-Asian and Pacific Centre for Agricultural Engineering and Machinery,
Beijing

The State of Food Insecurity¹

Reducing hunger by half is the first of the Millennium development Goals (MDGs). And there have been some spectacular success stories as well in Asia-Pacific region, but there are wide differences among the sub-regions in their success in reducing poverty and hunger, closely associated with their economic performance and investment in social capital. Poverty and hunger are particularly serious in South Asia and in small islands in the Pacific. For the Asia and Pacific Region as a whole, despite efforts to accelerate economic growth and reduce poverty, only limited progress has been achieved in moving towards the target of halving the number of people who live in hunger by 2015 (the first of the MDG Goals). People in

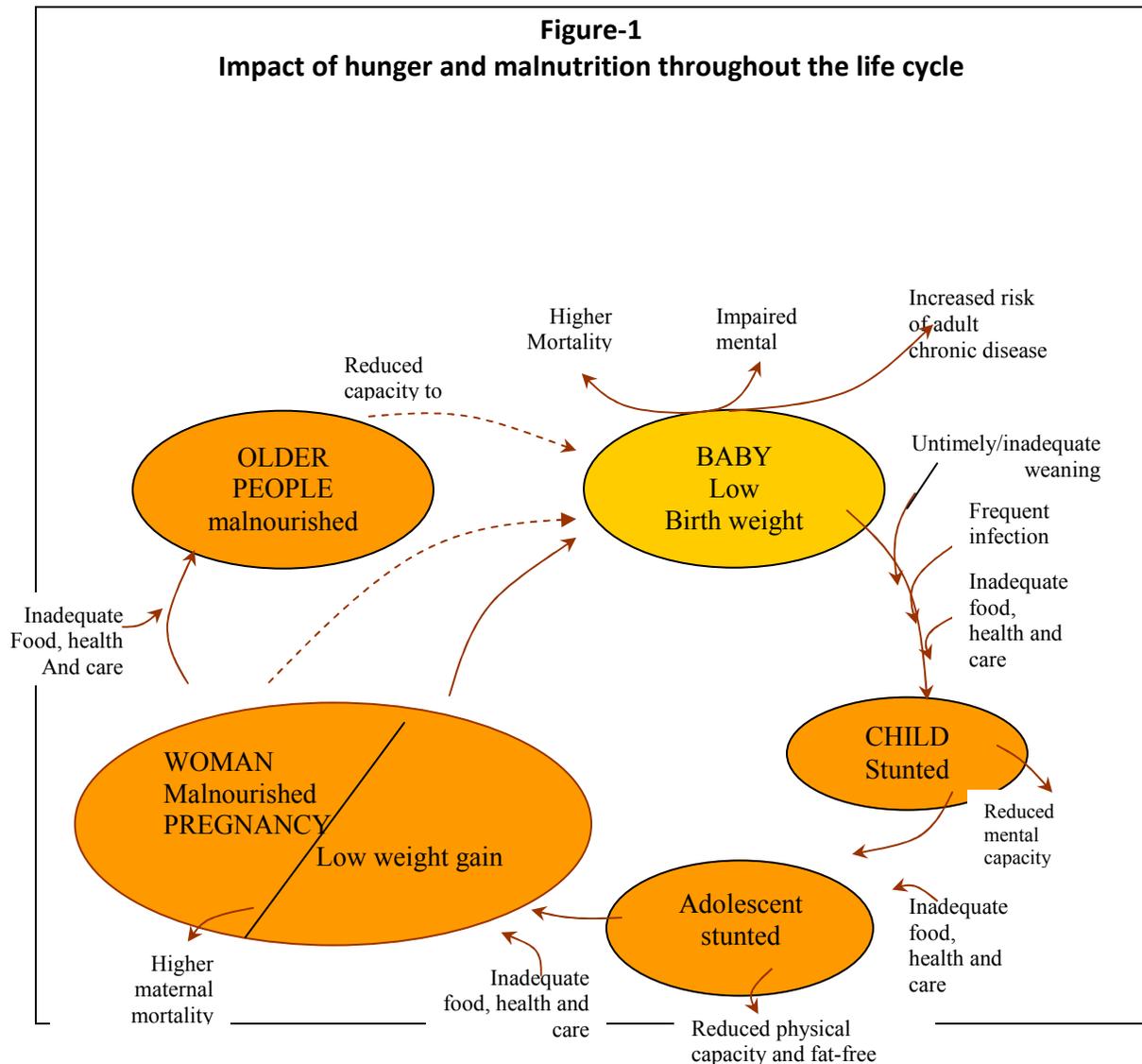


¹ Hunger is a very subjective term, and there is no single, clear, universally-accepted definition of hunger, or how to measure it. In a recent document International Food Policy Research Institute (IFPRI)¹ defines hunger according to the number of calories consumed per day: **subadjacent hungry**: those who consume between 1,800 and 2,200 calories per day; **medial hungry**: those who consume between 1,600 and 1,800 calories per day; **ultra hungry**: those who consume less than 1,600 calories per day. 2,200 calories is the average energy requirement that, as recommended by international experts, is needed for adults undertaking light activity. However, country level definitions of hunger vary greatly. Hunger can also be defined as nutritional deficiency and/or under-nourishment and malnourishment and in the extreme case starvation.

Afghanistan, China, Bangladesh, DPR Korea, India, Indonesia, Kazakhstan, Nepal, Pakistan, Tajikistan and Uzbekistan, all suffer from hunger in various forms. And then there are some countries where large scale hunger and malnutrition can persist unless food aid flows to these countries and there are possibilities that food may be used as a weapon against some countries.

Cost of Hunger

Failing to achieve the target of reducing by half the number of people who live in hunger by 2015 has many ramifications for the achievement of several other MDGS. Firstly because hunger unleashes a vicious circle of deprivation, and affects the entire



Source: FAO: The State of Food Insecurity in the World 2004 (Rome: Food and Agriculture Organization of the UN) 2004.

life-cycle of those who suffer from hunger as shown in Figure-1. For example, for some countries, like Bangladesh and India, in excess of 30 per cent of all children are born underweight, who run the risk of dying in infancy², of stunted physical and cognitive growth during childhood, of reduced working capacity and earnings as adults and giving birth (in case of girl children) to low weight babies³. The impact of hunger is worst on women and girl children, who eat last, least and "left-overs"⁴. Secondly, the economic cost of hunger in terms of lost productivity, earnings and consumption run into billions of dollars, apart from the direct cost of dealing with damages it causes. For example, apportioning medical costs in developing countries attributed to child and maternal under-nutrition, suggests that the direct costs add upto an estimated US \$ 30 billion per annum, which is 500 per cent more than the amount committed in 2004 to the Global Fund to Fight AIDS, Tuberculosis and Malaria⁵.

To achieve the Goal of reducing the proportion of people who suffer from hunger to halve between 1990 and 2015, for the Asia-Pacific Region, the first thing to achieve is *grain security*, defined as availability of socio-culturally acceptable grain in the system, the grain is of adequate nutritional value and people have economic, physical and social access to such grain at all times, for a healthy life.⁶ Grain security (or "insecurity") is also

² Due to neonatal disorder and diseases like diarrhea, pneumonia, malaria and measles.

³ It is important to note that child malnutrition is not caused by inadequate food intake alone; it is one of three causes of child malnutrition, the other two being adequacy of health services and caring practices for the under fives. But it is an important enough distinction for that point to be repeated here.

⁴ See Amitava Mukherjee: **Hunger: Theory, Perspectives and Reality** (London: University of London, Kings College and Aldershot: Ashgate Publishing Co) 2004.

⁵ FAO: **The State of Food Insecurity in the World 2004** (Rome: Food and Agriculture Organization of the UN) 2004.

⁶ Modified from the standard definition of food security.

one of the major factors that may affect the social stability and economic development of the region, and the concomitant social disturbances⁷.

Unfortunately grain security is not guaranteed at all times in all countries in the region. For example, even in China where grain supply capability exceeds demand nationwide, which allows it to feed 22 per cent of the world population with only 7 per cent of the world's available land, between 2000 and 2003, for four years, it faced decline in grain production due to a series of national disasters and reduction of available land. The gap in food production has been around 15-20 million tons per annum⁸, which raised alarm bells in China for increasing grain production as soon as possible. The severe winter conditions towards the end of 2007 and beginning of 2008, in China has made things even worse. Officials say unusually low temperatures and heavy snowfalls have destroyed crops and greenhouses, and are severely affecting winter food production⁹, and their impact on fresh vegetables and fruit have been catastrophic in some places. Prices for fresh fruit and vegetables have doubled in some of the worst-hit areas. China's consumer price index rose nearly 5 percent for all of 2007, and was up 6.5 percent in December alone, a major part of which was in food prices¹⁰, thereby exacerbating the state of hunger by constraining people's economic access to food.

However, despite the erratic weather events of 2007, the Nation's Economic Conference which was closed just recently revealed that China's economy has maintained a stable and fast increase in the first half of the year 2008. A rich harvest has been achieved this year, which has established a new record of crop increase continuously for the past 5 years. The outputs of summer crops reached 120.4 million tons. The reason for this result is the country's preferential policy for agriculture

⁷ "Beware of the fury of the hungry man" was the warning that Dryden gave.

⁸ Ding Shengjun: "Grain key to China's success in achieving national stability", **Jakarta Post**, 19 February, 2004, p. 7.

⁹ "China's winter weather threatens food supplies", *Wikinews*, 31 January 2008.

¹⁰ Daniel Schearf: "China's Winter Wealth Threatens Food Supplies, Puts Political Pressure on Leaders", Beijing, 31 January 2008. <http://www.voanews.com/english/2008-01-31-voa21.cfm>

development. Given the country's size with a population of 1.3 billion, food security will continue to be a main focus of the government.

Similarly India, which produces over 206 million tons of food¹¹ and has grain reserves in the warehouses of the State owned State Trading Corporation of India of up to 21 million tons¹², has millions of people suffer from grain insecurity as the per capita availability of food has declined to 390 grams per day in 2006 against a requirement of 510 grams per capita per day.

Thus grain insecurity concerns are producing a wide variety of responses from national governments. To illustrate the point, Malaysia has announced a 4 billion ringgit (\$1.29 billion) plan to expand cultivation of fruits, vegetables and rice in Sarawak State. The Indonesian Government has stepped up food subsidies by 2.7 trillion (\$ 290 million) and raising export taxes on palm oil. China has removed import taxes, raised export taxes and imposed quotas on grain and flour. Both India and Vietnam have imposed export restrictions on rice¹³. Thailand has given a call to create a cartel of food exporters, more or less along the lines of the cartel of oil exporting countries. While it is imperative that countries of the region strengthen the management of their grain production, distribution and reserves and other aspects of the grain security system at the national and sub-national levels (see Box-1), there are certain measures that should be taken regionally to tackle grain insecurity in the region.

Framework to Establish an Asia-Pacific Grain Security System

The Asia Pacific region must collectively act now to help alleviate these problems by setting up an Asia-Pacific Grain Security System. This will not only help relieve the pain of teeming millions but also empower poor women, who in most of our societies, have the burden of collecting, gathering, processing and cooking food, which

¹¹ Government of India: **Economic Survey 2006-2007** (New Delhi: Ministry of Finance, Government of India) 2005.

¹² *ibid*

¹³ Sonia Kolesnikov-Jessop: "Tensions Rise along with grocery bills", **International Herald Tribune**, Monday, May 5, 2008.

substantially increase at times of crises and disasters. To this end, without getting into the debate on the role of the market in allocating resources in the best possible way, while national governments adopt appropriate policies¹⁴ to ensure grain security in their own countries, countries of the region could collectively take the following measures¹⁵:-

- (i) Establish an agriculture related inter-national social service structure to provide technology, information, consulting and marketing and transportation services across the region. This will implicitly require that a regional food *distribution system be developed* supported by a regional transport system in line with what is ultimately envisaged in the Asian Highway Network¹⁶ and the Trans-Asian Railway be established to ensure that people, even in isolated and alienated parts of the region, have access to food grains.
- (ii) Recently, globalization has meant that global rules play an increasingly important role in the lives of people everywhere, including farmers in countries of the Asia and the Pacific. These farmers have the potential to feed not only themselves, but many others. Without international rules that provide justice for the farming community, the prospects for long-term solutions to grain security are dim. *International agricultural trade rules* in the Asia and the Pacific region must be *altered* to ensure that the livelihoods of small farmers are strengthened, which means ensuring farmers can sell their crops on their local markets and have opportunities to export to other markets. The countries of the Asia and Pacific region must agree to remove protectionism and market segmentation across the countries in the region. A unified grain market for the region should be developed, in which all farmers and all entities should be encouraged to enter.
- (iii) Set up an Asia Pacific International Grain Bank (APIGB) of appropriate size and spread headed by its Board nominated by member countries, to allow grain

¹⁴ Including, among other things, measures for enhancement of general economic growth, expansion of employment and decent rewards for work; diversification of production.

¹⁵ Some of these were suggested for China by Ding: Op. cit.

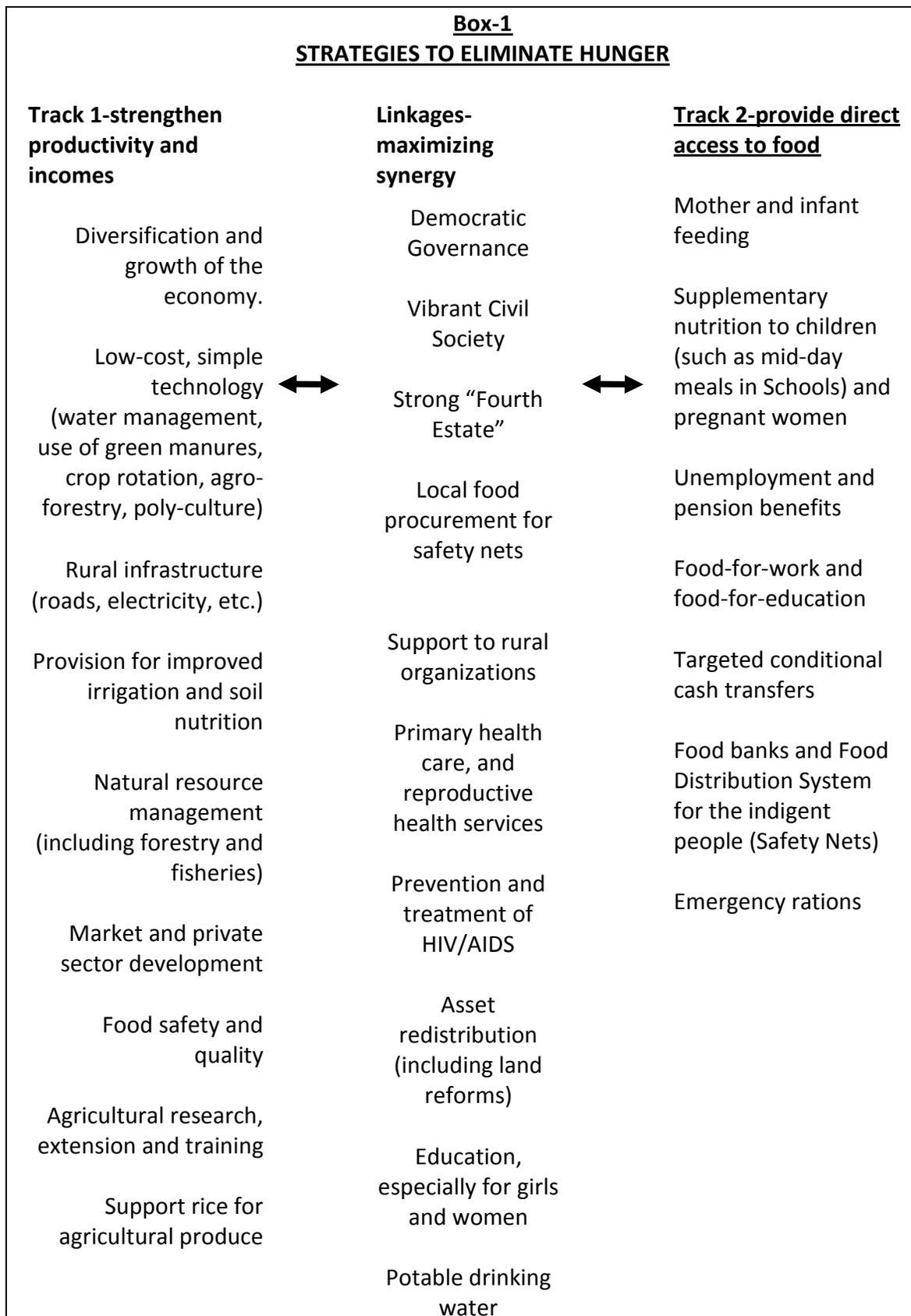
¹⁶ This will include upgrading the 17 % of the road in the Asian Highway Network which is classified as below standard to be upgraded to at least class III level.

surplus countries to sell their grains to it and allow deficit countries to access grain at times of distress from it and run, *inter alia*, public distribution systems (PDS) for the indigent people. Some examples of PDS in Box-2 have important lessons to be learnt in this regard. The broad features of the APIGB shall be as follows:

- The APIGB would buy grains, which are culturally acceptable¹⁷, from grain surplus countries of the Region at remunerative prices, to be determined by its Board every year and sell these grains at affordable prices to the grain deficit countries of the region, which may stand in need.
- The grains brought up by the APIGB can be stored at places where they will be purchased for being moved to deficit countries when the contingency arises. This will obviate the need to move large contingents of food stocks across the region, noting that in some cases it is easier to move grains internationally than nationally.
- If there are national granaries which store buffer stock of National Governments¹⁸, the APRGB could establish a contractual relationship with them
- A credit system and features of a grain market made up of spot transactions and futures transactions should be incorporated in the APIGB to ensure regional grain security.

¹⁷ Fortunately, rice is eaten throughout the Asia-Pacific Region, which will obviate the need to hold a wide variety of grains.

¹⁸ Such as the warehouses of the State Trading Corporation of India in different parts of India.



Enabling Legal
Framework (Right
to Food/fair
wages etc.)

Sources: FAO: **FAO: The State of Food Insecurity in the World 2004** (Rome: Food and Agriculture Organization of the UN) 2004 and Amitava Mukherjee: **Hunger: Theory, Perspectives and Reality** (London: University of London, Kings College and Aldershot: Ashgate Publishing Co) 2004.

- Repayment of grain loans to the AFIGB by countries which would avail of credit facilities would be either in convertible currency or grains borrowed.
- Initial financing for the AFIGB should be provided out of the accumulated reserves.

(iv) Establish Sub-regional Grain Insecurity Early Warning Systems to warn member states of the region concerned of any of any potential risks emanating from natural and/or man made disasters and of other impending dangers, such as volatility of international grain prices and help them to ward off potential crises in grain security. The Sub-regional Grain Insecurity Early Warning Systems would be linked with other related early warning systems like the Tsunami Early Warning Systems being set up, because disasters are a major cause of grain insecurity.

(v) Ban the production of bio-fuel until there is marked improvement in technology to demonstrate that bio-fuel, such as ethanol, production is efficient both in terms of green house emission and use of food crops and diversion of land from food crop production to growing crops that feed into production of ethanol. The countries in Asia should avoid the mistake made by some developing countries of “diverting grain and oilseeds production from dinner plates to fuel tanks” thereby jacking up world food prices and endangering the hungry¹⁹. Because

¹⁹ Michael Grunwald: “The Clean Energy Scam”, **Time**, Vol. 171, No.13, 2008, page 30

- the grain it takes to fill in an Small Utility Vehicle Tank with ethanol is enough to feed a person for a whole year and because use of land to grow fuels is the pathway to the destruction of forests, wetlands and grasslands that store enormous amount of carbon.
- (vi) Enter into a binding International Agreement by the countries of the region to co-operate so that the “Green Box” support policies, within the framework of the World Trade Organization, across the region is strengthened through such measures as joint ventures to increase investments in productivity-enhancing technologies, agricultural infrastructure, marketing infrastructure and quality control. These could, together with national measures, usher in a “Second Green Revolution” for the Asia and Pacific Region.
- (vii) Agree on a Food Safety Protocol for GM Foods and establish a Reference Group for testing the safety of genetically modified food and crops to be cultivated in the region and recommending its release or otherwise to member countries. This is particularly important because people and grains move across borders without going through the formal process, which are germane to transfer of genetically modified crops from one country to another without the host country even being aware of such transfers²⁰.
- (viii) Finally the intellectual property rights with regard to seeds need to be reworked so that corporate decisions in Board Rooms of Companies do not *always* decide on how much, and when and what seed to produce, regardless of needs of farmers and food requirements of the public at large.

Clearly hunger is an “international public bad” that has to be eliminated from the Asia Pacific Region. 2015 is just around the corner, and with our planet currently in the grip of climate change, the region is now at an even greater disadvantage in meeting the MDGs. We are fortunate to have instruments at our disposal for reducing hunger,

²⁰ For example, contamination and cross breeding of genetically modified papaya have been detected recently in Kamphaeng Phet Thailand. See Piyapron Wongruang: “Test seems to show GM papaya rampant”, **Bangkok Post**, 2 June 2005, p. 4.

© Amitava Mukherjee January 2008

The views expressed in this article are Dr. Amitava's personal views, they do not necessarily reflect the views of UNESCAP/APCAEM

however time is gravely short. This time around much more is at stake than missing a target, with regional food insecurity a possible irreversible result for many countries.

.