



Short Article

Are Food Self-Sufficiency Programmes the Only Way?

In developing countries hunger has a strong correlation with poverty. Most of the poor people are hungry and hungry people are poor. However, such a strong relationship between poverty and hunger is not observable in developed countries, since nationwide social security systems have been developed that ensure the right of every citizen for basic needs, including food. This kind of social safety net is still not present in developing countries. It is true that family-based social security is common in developing nations, but its protection capacity is very limited since it is functional only to those poor families who have better off relatives willing to make a philanthropic gesture when hunger threatens.

Though systematic development programmes have been implemented for decades in almost all developing countries, poverty is still prevalent with around 830 million poor people living in Asian countries alone in the mid 1990s (Rosegrant and Hazell, 2000). This fact of development failure has been felt to be so embarrassing that the United Nations has called for hastening global efforts towards poverty alleviation with the objective of halving global poverty by 2015.

Given such an outcome, it makes sense to take food security as a crucial development goal for developing countries. Food security means secured access to food for every citizen at all times (Reutlinger, 1987). That poverty is a standing block preventing people from having sufficient access to food means food security cannot be achieved in the developing Asia-Pacific region without the effective alleviation of poverty. This view is akin with that of Sen (1982).

In his seminal study about the link between poverty and famine, Sen has strongly criticized food self-sufficiency programmes pursued in many developing countries as misconceptions of the causes of mass starvation experienced previously in different parts of the region such as India in 1947 and Bangladesh in 1974. Sen confirmed these experiences were not due to food shortages, but that mass poverty resulting from the rapid degradation of exchange of entitlement experienced by lower classes of these countries was the primary cause of these tragedies. Their lack of income prevented them from accessing food whose supply was actually in surplus in their country.

According to Sen, it is not food self-sufficiency but poverty alleviation that is the effective way to achieve food security in developing countries. Other scholars have convincingly argued that food self-sufficiency programmes implemented in developing countries are not pro-poor. The green revolution technology upon which the success of making rapid increases in food production in this region is reliant is inherently biased against the poor, and this inherent characteristic is often accentuated by biased government policies supporting its implementation (Griffin, 1974). As a consequence, rapid increases in food production in this region have been counter-balanced by a rapid decline in employment opportunities for the rural working class (Grabowski, 1989). This loss of employment opportunity is the primary cause of their inability to buy sufficient amounts of food even though there is a surplus and prices have also become cheaper.

Food self-sufficiency is still, however, widely perceived as a pre-condition for prosperity in developing countries. In many of these countries, such as Indonesia, Lao People's Democratic Republic, Cambodia and Myanmar, food self-sufficiency programmes still indeed focus on rice. This is clearly in contradiction with the UN call to hasten global efforts to halt poverty in developing countries. Such contradictive behaviour by the governments of developing countries is not without good reasoning, however. For many developing countries, food self-sufficiency programmes are not merely a way to increase food production, but, more importantly, a strategic instrument for creating and maintaining domestic political stability (Manning, 1988). Political stability becomes then a key for governments to perpetuate their political control (Hutagaol and Adiwibowo, 2000). Instating that the government of developing countries prioritize poverty alleviation in their development programmes, including food production programmes will presumably require the development of mechanisms through which poor people can participate effectively in designing development programmes in their own countries. This is about a political democratization process which should be further promoted in developing countries if the MDG regarding poverty alleviation is to be realized by 2015 ■

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(References available upon request)

Flash **BREAKING****Hunger: What is in Our Bin?**

Approximately 1.2 billion people suffer from hunger (deficiency of calories and protein) and some 2 to 3.5 billion people have micronutrient deficiency (deficiency of vitamins and minerals). Conversely, in the United Kingdom, 30-40 per cent of all food is never eaten. In the last decade the amount of food British people threw into the bin went up by 15 per cent and overall, approximately \$ 38 billion US dollars worth of food is thrown away, every year. In addition, 40-50 per cent of all food in the US ready at harvest never gets eaten.

Shah, Anup, 2005. Causes of Hunger are Related to Poverty, <http://www.globalissues.org/TradeRelated/Poverty>, (18 April 2005).

Organic Agriculture: Brings Higher Earnings

According to studies conducted in China and India by the International Fund of Agricultural Development (IFAD), Indian and Chinese farmers who have switched to organic agriculture receive higher earnings and a better standard of living. Organic farming also offers more employment opportunities precisely because of its labour-intensive nature. Marginal and small farmers in developing countries have a comparative advantage in shifting to organic agriculture, as technologies they use are often very close to organic practices.

IFAD, 2005. Organic Agriculture: A Way Out of Poverty for Small Farmers, <http://www.harolddoan.com/modules.php?name>.

EU: Helping Tsunami-Hit Countries

In response to the tsunami disaster, the European Commission (EC) has proposed to accelerate the 'entry into force' of the new European Union (EU) preferential trade regime, and the new Generalized System of Preferences (GSP) for tsunami-hit countries such as Maldives, Sri Lanka, Thailand and Indonesia. Through tariff concessions, the new GSP will open about Euro 3 billion worth of new trade flow for these countries. The concessions will apply to several products such as shrimps, textiles and shoes.

European Union News, 2005. EU to Help Tsunami-Hit Countries Through Trade.

Promising Sweet Potato Varieties for PNG

The Lowlands Agricultural Experiment Station of the National Agricultural Research Institute, celebrated its 75th Anniversary by releasing 79 sweet potato varieties suitable for normal lowland conditions of Papua New Guinea, including four drought-tolerant varieties. These cultivars all have acceptable yields with good market and consumer appeal. These also have a range of other important traits in terms of colour, B-carotene content, sweetness, dry matter content, processing characteristics and flesh texture.

Spore, 2004. New Sweet Potatoes for PNG, Information for Agricultural Development in ACP Countries, No. 114, December 2004.

India Gains from Agricultural Trade Liberalization

Trade liberalization in agriculture has a potential benefit for poverty alleviation in India. In agriculture, barriers such as tariff peaks, tariff escalation, domestic support and export subsidies continue to restrict the effective market access of Indian agricultural products to developed country markets. India's own tariffs have few peaks and are applied to only 1.3 per cent of the tariff lines in India, against 20 per cent in developed countries. India has made the reduction of subsidies by developed countries a condition for its own tariff reduction. If there is full trade liberalization in agriculture, India, as a net food exporting country, is likely to see significant welfare gains. India's exports are likely to increase by 13 per cent if trade distorting domestic support in developed countries is reduced. The main sectors which would gain would be cereals, sugar and dairy products. Simulations show that approximately 100 million people could be lifted out of poverty by liberalizing developed countries agriculture. The poverty alleviating effects of multilateral liberalization would be increased if adequate reforms are made at the domestic level. Capacity building initiatives are required to help Indian farmers integrate better into the international market and also to meet quality issues in order to overcome the exacting regimes of sanitary and phyto-sanitary measures. Consolidation of land holdings, better infrastructure, better use of IT, and marketing reforms are needed ■

Based on Jha, Veena, Nedumpara, James, Gupta, Sarika, 2004. Poverty impact of Doha: India, The Doha Development Agenda, Impacts on Trade

Reducing Poverty in South Asia and China: a Comparison

Of the approximately 690 million people living in poverty on less than \$ 1 a day in Asia, almost 93 per cent can be found in South Asia and the Peoples' Republic of China (PRC). However, China has had much success over the last two decades in reducing poverty, while South Asia has been less successful. There are three main reasons for this. First, economic growth in South Asia has been much lower than that in PRC. Second, rural incomes, in particular, have grown much more slowly in South Asia than in PRC, and since a large majority of the poor reside in rural areas, they benefit disproportionately when economic opportunities in rural areas expand rapidly. Finally, industrial growth in South Asia has not generated as much employment for less-skilled workers as it has in PRC. South Asia can learn three main lessons from China in reducing poverty. First, South Asian countries must significantly accelerate their growth by adopting institutional and policy reforms and increasing social and physical infrastructural investments to promote efficient growth. Second, they must ensure that sectors in which the poor work intensively and sub-regions where the poor reside grow rapidly. Raising agricultural income, in particular, is critical to significantly reduce poverty. Finally, entrepreneurs in the modern industrial sectors must be given the incentives to utilize labour more intensively in production ■

Based on Ali, Ifzal, 2004. Poverty in Asia: Measurement, Estimates, and Prospects, Asian Development Bank, Manila, <http://www.adb.org/Media/Articles/2004/5722>.

The Dilemma of Tariff Reduction in the Philippines

Using an integrated computable general equilibrium (CGE) micro-simulation approach, the impacts of tariff reduction on poverty and income distribution in the Philippines were estimated. The results indicate that the tariff cuts implemented between 1994 and 2000 were generally poverty reducing, primarily through the substantial reduction in consumer prices they engendered. However, the reduction is much greater in the National Capital Region, where poverty incidence is already the lowest, especially in rural areas, where poverty incidence is normally highest. Tariff cuts lower the cost of local production and bring about real exchange rate depreciation. Since the non-food manufacturing sector dominates exports in terms of export share and export intensity, the general equilibrium effect of tariff reduction is an expansion of this sector and a contraction of the agricultural sector. This, in turn, leads to an increase in the relative returns to factors, such as capital, used intensively in the non-food manufacturing sector and a fall in returns to unskilled labour. As a result, inequality worsens as rural households depend more on unskilled labour income ■

Based on Cororaton, Caesar B., Cockburn, John, 2005. Trade Reform and Poverty in the Philippines: a Computable General Equilibrium Micro-simulation Analysis, <http://ideas.repec.org/>.

LDCs Suffering from the Declining Agricultural Product Price

Long-term trends, short-term shocks and price spikes in agricultural commodity markets aren't just arcane macroeconomic phenomena. They have very real impacts on the day-to-day lives of people everywhere and can have a larger impact on the overall economic well-being of families, communities, even entire countries that are dependent on commodity exports for cash earnings. The impact of commodity price fluctuations is greatest in the poorest countries of the developing world. An estimated 2.5 billion people in the developing world depend on agriculture for their livelihoods. In the second half of the 1990s, prices of several commodities exported by developing countries fell to their lowest levels since the Great Depression. Overall, real prices for all agricultural commodities have declined over the past 40 years, but the rate of decline has varied from commodity to commodity. In LDCs, their dependence on tropical beverages and raw materials for export earnings actually rose from 59 per cent to 72 per cent between the 1960s and 2001. At the same time, their share in world agricultural trade shrank as their dependency on it remained far higher than that of other developing countries. Lower food prices mainly benefit consumers in developed countries or consumers living in urban areas of developing countries. However, in so far as lower world prices being transmitted to local markets, the vast majority of the world's poor and hungry, who live in rural areas of developing countries and depend on agriculture, suffer losses in income and employment caused by declining commodity prices which generally outweigh the benefits of lower food prices ■

Based on FAO, 2005. Commodity Markets: Global Trends, Local Impacts, FAONEWSROOM, <http://www.fao.org/newsroom/en/focus/2005/89746/index.html>, (15 February 2005).

Flash EVENTS



International Conference on Environmental Effects of Agricultural Practices: Remediation, Prevention, and Sustainability

21 - 24 August, 2005
Hilo, Hawaii

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7th International BIOECON Conference on Economics and the Analysis of Ecology and Biodiversity

20 - 21 September, 2005
Cambridge, United Kingdom

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Information Technologies in Environmental Engineering (ITEE'2005)

25 - 27 September, 2005
Magdeburg, Germany

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Eastern Biofuels Conference & Expo

13 - 15 September, 2005
Warsaw, Poland

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Book Review

Pro-poor Intervention Strategies in Irrigated Agriculture in Asia: Poverty in Irrigated Agriculture: Issues, Lessons, Options and Guidelines

Intizar Hussain, 2005. Final Synthesis Report. International Water Management Institute (IWMI) and Asian Development Bank (ADB), 73 pp. ISBN 92 9090 601 4

This document is the final synthesis report of a four-year study, funded by ADB and undertaken by IWMI and national partners in six Asian countries (Bangladesh, China, India, Indonesia, Pakistan and Viet Nam), covering 26 irrigation systems and more than 5,400 households. It is also based on more than 200 other studies and involved 227 professionals who surveyed various types of irrigation stakeholders, from farmers to policy makers and practitioners. It intends to answer the question whether irrigation packages can be made pro-poor in the future and its objective is "... to determine realistic options for increasing returns to poor farmers in low-productivity irrigated areas within the context of improving the overall performance and sustainability of established irrigation schemes".

Organized into six chapters it provides the most comprehensive synthesis on irrigation-poverty links in Asia so far. The format of the document is attractive and designed to be practical, yet well documented and directly applicable. The objectives (Chapter 1) and framework (Chapter 2) are kept to a minimal and heuristic ten pages. The 26-page Chapter 3 gives a detailed presentation of the findings, conclusions and lessons, while 14 pages are devoted to options and guidelines for mainstreaming pro-poor interventions in irrigated agriculture (Chapter 4). Chapter 5 and 6 briefly develop future needs for action and research, and present a summary of the study achievements.

Among the major findings of this study, it is worth highlighting that (i) irrigation reduces poverty across all study systems, (ii) indirect benefits of irrigation can be higher than the direct benefits on crop productivity, (iii) the extent irrigation reduces poverty depends on other factors such as land distribution, (iv) land, education and road infrastructure are important for poverty reduction, (v) within irrigation systems poverty is higher in marginal areas and among specific groups such as landless and/or female-headed households, and (vi) significant benefits to the poor from recent irrigation management reforms are not visible, with a risk of seeing them by-passed.

The report provides options, measures and guidelines to make irrigation more pro-poor. These measures concern firstly irrigation investment with the use of poverty impact as a criterion, and making poverty assessment a first step, in policy and project intervention. It is also advised to establish geographic and socio-economic priorities targeting the poor. Then, for policy and institutional reforms to redistribute irrigation benefits to the poor, the use of a micro/meso/macro framework is recommended as well as distinguishing between

irrigation as a resource and as a service, adopting pro-poor approach, integrating non-irrigation issues, and establishing a new institution for monitoring and enhancing benefits to the poor.

Apparently very broad, these options are detailed and applied. Several boxes and tables give the reader enough knowledge about the why, what and how. I noticed in Chapter 3 a typology of pro-poor levels and of irrigation benefits and dis-benefits (Box 2; Box 3 and Table 1), the factors influencing irrigation-poverty performance (Box 5), a check-list for the design of pro-poor interventions (Box 6) and, in Chapter 4, pro-poor options for improving access to land security and land and water rights (Table 6), specific interventions to make irrigation, as a resource, benefit the poor (Box 29) and building effective partnerships (Box 35).

Maybe there are a few criticisms that one could address to this impressive work. First, when showing that poverty is significantly lower in irrigated than non-irrigated areas, the author lets us think that it is somehow related to irrigation while it might well be reverse causality; irrigation being developed in richer areas. In addition, some results on the impact of irrigation management systems should be discussed combining a "with and without" analysis and not only "before and after" (Table 3). But the major weakness in my opinion is that the who is never addressed. After so much emphasis on institutional change and institutions, one would have expected insights in the political economy of irrigation policy and reform: Who are the key players, what is their role, how and when did they perform well, and why, what makes a reform start, the management systems changed and why?

Still, the merits of this work are immense and another great virtue of this document is that it provides also a broader knowledge about poverty and poverty alleviation in rural Asia. By highlighting differences between South Asia and other countries it confirms that poverty is not the produce nor the consequence of imbalance in the endowment of production factors but the result and cause of institutional arrangements and voluntary reforms. And lessons and options derived from the study concerning the links between irrigation and poverty are probably true for any technology "package" ■

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