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Food Aid and Food Security: A Necessary Evil?



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Is Food Aid effective or does it actually lead to other food-related insecurities? This paper examines whether Food Aid in Bangladesh merely addresses the challenge of food supply disruptions induced by natural disasters instead of resolving the core problem of chronic food insecurity which is caused by poverty.

by Nur Azha Putra

In July, The World Bank (WB) announced its plan to provide \$1.3 billion worth of emergency food financing for Bangladesh - the food scarce nation where about 40 percent of its approximately 140 million population lives on less than a dollar a day. The announcement was timely for the nation which is reeling from the effects of the global oil crisis and natural disasters. The Food Aid, comprising funding from the WB and the Asian Development Bank (ADB), is pegged as a relief effort aimed at providing emergency food assistance.

The announcement came after soaring food and energy prices led to a riot in Bangladesh back in April and in over 30 other nations around the world. According to WB President, Robert Zoellick, at the Rome Conference in June, high food and energy prices thwart governments from implementing socio-economic reforms, growth strategies and risk the lives of over 100 million people worldwide. Thus, it makes sense when Zoellick declared that the WB's strategy was to help the twenty most vulnerable countries with financial support, provide seeds and fertilizer to smallholder farmers prior to the plantation season

and call for exporting countries to remove export bans and restrictions. It appears that Food Aid still holds strategic prominence in the WB's agenda.

However, if the objective of Food Aid is supposed to eradicate hunger and poverty and according to the United Nations, "the ultimate objective of Food Aid should be the elimination of the need for Food Aid" then why does Bangladesh persistently suffer from food insecurity? For 37 years, Bangladesh has received various kinds of aid including Food Aid from the international community. Also, why is it that Bangladesh, which is largely an agrarian economy, could not benefit from the soaring global food prices but instead has to rely on foreign aid to alleviate its food shortages?

One would assume that the global high food prices is good for agricultural economies because it is the impetus to increase production especially in Bangladesh where almost half of its labour force is employed in the agricultural, forestry and fisheries industry and about 70 percent of the total land space is used for agriculture but instead millions of Bangladeshis are faced with starvation.



A woman clutching her stomach lay by the sidewalk while others walked past.

Perhaps, it is plausible to suggest that Food Aid does not necessarily lead to food security and that it instead inadvertently caused food insecurity and dependency. Food insecurity occurs when relief efforts in the form of broad-based food programmes fail to recognise the intricacies of food insecurity in Bangladesh where the population suffers more from chronic food insecurity rather than transitory food insecurity. Consequently relief efforts are rendered less than effective. Meanwhile, Bangladesh is locked in a cycle of dependency because its over-reliance on foreign aid reduces the propensity to undertake institutional reforms and capacity building in Food Security.

Chronic Food Insecurity and Affordability

Recent reports by the WB and ADB shows that 41 percent of the population in Bangladesh lives on less than a dollar a day while 84 percent lives on less than two dollars a day. Thus, if Food Security, as defined by the Food and Agricultural Organization of the

United Nations (FAO), refers to “all people having physical, social and economic access at all times to sufficient, safe and nutritious food for an active and healthy lifestyle at affordable prices” then approximately 60 million of the Bangladesh population was already suffering from lack of access to nutritious food prior to the global food crisis and would continue to suffer long after aid has been disbursed. These households suffer from chronic food insecurity which means they persistently lack the purchasing power to buy or grow food (seeds costs money). This is due to poverty. To compound their plight further, the national inflation rate has increased from 5.83 percent in 2004 to 7.17 percent in 2006.

Furthermore, approximately three-quarter of the population lives in rural areas and poverty in Bangladesh is mostly a rural phenomenon occurring mainly in agricultural households which are mostly landless and dependent on casual employment for income. Thus, in the event of natural calamities, agricultural activities cease thereby resulting in unemployment and these households are left without any source of livelihood. The situation seems more urgent considering that the current population is projected to grow by about 14 million by 2011.



Two young boys, where one of them is without any shirt and both without any footwear, are sleeping below a bridge at a busy crossroad in the middle of Dhaka.

According to a report by the United Nations World Food Programme (WFP), a typical rural household in developing nations spends between 60 to 80 percent of their income on food, which leaves little income left for real savings, whilst a typical household in a developed nation spends approximately 10 to 20 percent of their household income on food. According to the Bangladesh Household Income and Expenditure Survey (2005), the average Bangladeshi household spends almost 54 percent of its monthly income on food. This means that the rural households in Bangladesh and other developing nations are less capable than those in developed nations in withstanding surges in food prices especially in the absence of employment.

For instance, every year, from September to November, the rural population of Bangladesh would be hard hit by the 'Monga' season, a period between planting and harvesting of paddy fields, where the job market rapidly shrinks due to inactivity. This is the period when households which depend on casual agricultural labour have no employment opportunities and thus no real income. The agrarian community calls it the 'mora kartik', which means the 'months of death and disaster' because the absence of income reduces the ability to buy food.

Transitory Food Insecurity and Accessibility

Although food gap is a recurrent theme and challenge to the Bangladesh government, one pressing issue however is neither in the production nor availability of food but rather access to sufficient and affordable nutritious food.

According to the Bangladesh Bureau of Statistics, as of 2006, the national food grain production in Bangladesh has increased over the last decade. Its agrarian economy produces on average almost 27,000 metric tonnes (MT) of rice, 735,000 MT of wheat and 850 MT of maize. Except for the decline in wheat production, rice and maize production has increased by almost 29 percent and 470 percent respectively. This means, at that current level of production and technology employed, domestic grain production is capable of meeting 90 percent of the domestic demands while the remaining 10 percent comes from import and Food Aid. Unfortunately, domestic food production and storage facilities are almost always disrupted and damaged by natural disasters.

Disruption in food production and the destruction to storage facilities means that households almost always suffer from food shortages and are thus vulnerable to transitory food insecurity. Transitory food insecurity happens when households are unable to purchase or produce food temporarily usually due to cyclical and seasonal circumstances such as floods, droughts and cyclones.

It makes sense then that Food Aid is most effective in alleviating the situation in conditions where disruption to production activity and loss of food reserves occurs. But if these natural calamities occur regularly in Bangladesh then one may argue that persistent transitory food security may in fact lead to aggravated chronic food insecurity when households are unable to withstand impending disasters because they have not sufficiently recovered from the previous ones. Thus, the problem of chronic food insecurity is further compounded by the issue of transitory food insecurity. Hence, crisis occurs when the nation is unable to cope with repetitive surge of food shortages and thereby requiring the intervention from the international community.

In times of crisis, the immediate concern is to get food supplies out as quickly as possible to the affected population. For the transitory poor, the issue is more of accessibility than affordability. Flooding the market with food grains and other supplies with Food Aid, via the public distribution system, seems appropriate. But for the chronic poor, the issue is more of affordability rather than accessibility. Even if the market is flooded with national reserves and surpluses are injected in a bid to lower prices, the chronic poor may still not afford to buy food. On the other hand, if free food is distributed widely and regularly then it would eventually reduce the impetus for local producers to improve productivity thereby leading to further food shortages and reliance on Food Aid.

Therefore, Food Aid does not always leave a lasting impact because it deals with the symptoms but not with the source of the problem which is poverty and thus unable to resolve the problem of food security in Bangladesh. Instead, it may even prove detrimental in the long run because it could actually create a vicious dependency on foreign aid and thereby reduce the impetus to increase domestic productivity.

Food Aid as the 'Necessary Evil'

However, Food Aid will always be a 'necessary evil' especially when it comes to food shortages due to natural disasters said a Ugandan representative of the Food and Trade and Nutrition coalition on World Food Day 2004. He was referring to the collapse of the agricultural production level in Northern Uganda as a result of 18 years of reliance on foreign Food Aid. This prolonged and sustained period of food dependency has created a vicious cycle of over-reliance thereby leaving the domestic food production industry unproductive. Therefore, 'Food Aid' according to the same official must be given for a short term period.

In dealing with the seasonal food crisis and with a view of the long-term economic and political survival, Bangladesh should avoid the path taken by Uganda and the risks of sustained Food Aid. As it is, Bangladesh has the production capacity to meet almost all of its domestic rice, wheat and maize demands. What Bangladesh should do for the long-run is to reduce the seasonal monga impact on the rural population. It can achieve this by diversifying its food production and improve the agricultural technology by opening up its market to foreign direct investments (FDIs). It also needs to invest in agricultural technology to further improve productivity. However, to achieve efficiency, Bangladesh needs to liberalise its market first.

The WB reports that Bangladesh maintains a very restrictive trade policy due to its very high tariffs thereby placing itself at a distinct disadvantage in international trade. Such restrictions mean that the protection afforded to local producers from foreign competitors could lead to monopolies and higher prices in the domestic market thereby leading to market inefficiencies. The report ranks Bangladesh 113th and 107th respectively in terms of Trade Policy and Institutional Environment, out of the 125 nations studied. The high prices of domestic food also limit access for the chronic poor.

In addition, the Bangladesh government also need to strengthen its institutional capacity in dealing with issues of food security. Realising the importance of skilled and trained expertise, the ADB has decided to provide an additional US \$600,000 in the form of a Technical Special Assistance Fund. This fund targets to improve structural access of the poor to food, income, and livelihood support amongst other things.

Meanwhile, at the international level, in view of the current global food crisis, the WB has recently outlined its Global Food Crisis Response Program (GFRP) which enumerated four strategies that nations may choose and adopt as intervention measures in tackling their food crisis. These strategies are food price policy and market stabilization, social protection actions, enhancing domestic food production and market response and impact evaluation of crisis. According to the WB, governments understand their problems best and are thus better placed to adopt appropriate strategy or combination of strategies in dealing with those issues. The WB in return will assist nations in implementing their choice of strategies.

P4P – Purchase for Progress

In an attempt to draw in small farmers into the global economy and thereby increase global food production via market response and enhancing domestic food production in developing countries, the WFP recently launched a new initiative, P4P – Purchase for Progress, which will purchase agricultural commodities from small farmers in developing economies. This project, which the WFP will pilot in 21 countries over the next five years, hopes to assist small farmers access domestic and international markets by selling surplus production at competitive prices. Inadvertently, these farmers will also be connected via the programme to other local and regional markets. In the WFP press release, WFP executive director, Josette Sheeran said that “The world’s poor are reeling under the impact of high food and fuel prices, and buying food assistance from developing world farmers is the right solution at the right time.”

While the P4P initiative seems like a step in the right direction with regard to the nature of Food Aid, the effectiveness of this programme still depends on the world’s major food donors such as the United States (U.S) and Japan. This is because donors such as the U.S provide their aid in kind instead of cash which means that aid is given in food instead of cash. Also, when food is purchased from developing countries, it is usually bought from large industrial producers instead of small farmers. Nevertheless, the P4P reflects a changing paradigm in the political thinking on Food Aid.

Food for Thought

The issue of Food Security is multi-layered and thus public policies and social programmes should take into account the different challenges posed by the complex and intertwined social realities of the day. Although Food Security as a concept should remain universal in principle, its application however shifts according to the context, whether within segments of the population in a nation such as Bangladesh or in other nations in different parts of the world.

Food Aid and Food Security is not just about providing food but also encompasses issues of affordability and accessibility brought about by the challenges of chronic and transitory food insecurity. Poverty is a constant challenge to food security and it requires sound public policies and institutional capacity at the national level. At the international level, organisations such as WB, WFP and ADB need to provide the necessary financial and technical assistance support and work with the nations instead of insisting on top-down approaches.

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Nur Azha Putra is an Associate Research Fellow at the Centre for Non-Traditional Security Studies, S.Rajaratnam School of International Studies, Nanyang Technological University.

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NTS Insight Writer Nur Azha Putra	NTS-Asia Consortium www.rsis-ntsasia.org	
	Contact us NTS_Centre@ntu.edu.sg	