

WORLD FOOD PRIZE SYMPOSIUM October 2001

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Thank you, Ambassador Quinn, and thank you, World Food Prize Food Foundation, for honoring me by inviting me to speak at this very important occasion. I can only wholeheartedly congratulate the Foundation for having awarded this year's prize to such an outstanding scholar and fine person, my friend, Per Pinstrup-Andersen. The topic that he assigned to me, "Trends in Reducing Global Hunger," and, I would add, challenges to agricultural development, cannot be more appropriate at this time. As you've already said, unfortunately, the World Food Summit five years later, it was the name for the summit planned for early November this year, had to be postponed for the reasons that are well known to all of us – the international situation did not appear appropriate for such an event at this time. And we hope that the summit will be held next year.

Ladies and gentlemen, the World Food Summit in 1996 gathered representatives of 186 countries, and all of them found that common commitment achieving food security for all. And more practically speaking, they adopted the target already mentioned earlier of halving the number of undernourished not later than 2015, which would mean that by then we should have around 400 million undernourished. As the graph shows you, progress has been made in the past, but the trend, if we continue the recent trend, does not point to achievement of that target. The red line is much less ... than the green line that we would have taken to follow if we wanted to reach that target. In fact, the race against hunger becomes more and more difficult. In the years of the 1990s, the number was reduced but only on average by six million people per year in the developing countries. We need 22 million less hungry each year if we're going to achieve the target. And the more we wait, the more... achievement and target widely.

In my presentation I want to focus on three main themes. First, I'll talk about the status and the trends in the hunger situation in the world. Secondly, explore the relationship between undernourishment and poverty, which seems very important to all of us. And third, discuss the challenges for the development of agriculture as an important instrument in fighting poverty and food insecurity.

There's a gentlemen... informed about figures that have been published in our recent publication, "The State of Food Insecurity in the World 2001," and I hope sufficient copies, at a least a number of copies, will be available to you outside the room. We are launching this kind of publication for the third time on the anniversary of FAO, the 16th of October, and so this is just two days old, this publication. What it says is that the total number of undernourished estimated by the indicator that we use – which is the number of people whose diet does not allow them to consume a sufficient number of calories for an active and healthy life – this number is estimated, whether... 1997, '99, at 815 million people, of whom 777 are in the developing countries, 27 million in countries in transition, and we should mention as well, 11 million in industrial countries.

The next slide shows changes in the 1990s that are very important to note, because what it says is that, although we have this slight decline only of about 40 million less nourished in the 1990s, there's a wide discrepancy between countries. In fact, in 32 developing countries there was a total decline of 116 million people. But unfortunately we have to note also that in the majority of the developing countries there was either no decrease or even increase, adding to almost 80 million. So we have a net reduction of 40, but this is the difference between almost 120 less in the successful countries and 80 million more in the unsuccessful countries. Almost all of the decline was drive by East and Southeast Asia regions, as you can see, which saw a fall in the number of undernourished from 280 to almost 200 million now.

China had the main share in this, as the report shows in more detail. The other regions either registered only small improvements, like Latin American and the Caribbean, or even an increase.

The figures on the proportion of undernourished are a bit more encouraging, as you can see from this slide here. The proportion has either declined or remained unchanged in almost every region except in the Near East and North Africa where there may have been a slight increase but only at a very low level from 8 to 9 percent. In 1996 to 7/99 – the latest estimates that we have – the region with the highest proportion of the population undernourished was South Sierra in Africa, 34%.

... these findings lead me to my first conclusions regarding hunger. First, overall progress has definitely been made in reducing the incidents of undernourishment amongst the world's poor countries during the 1990s. Second, the overall reduction in the proportion of undernourishment was not significant enough by far more, to be in line with what is needed to exceed the World Food Summit target. And third, progress has been very uneven, with South Sierra in Africa having experienced an increase in the number of undernourished and only to a slight decline in the percentage. An enormous effort is, therefore, needed if achievements in this south region are to be in line with targets.

Ladies and gentlemen, generally the number of undernourished people can be reduced in two ways. One is to improve the distribution, and the other is to increase the overall availability of food. Unfortunately, as they also show in this report, we come to rather disappointing conclusions regarding improvements in the distribution. There was no significant improvement in the inequality and access to food within countries, at least in most countries. Therefore, most of the progress in reducing undernourishment is obviously the result of increases in the average daily energy supply, which is shown on this slide. And it is gratifying to note – and this is, of course, a great achievement of world agriculture in general – that the availability of food in the developing world in 1997-99 stood at about 2,700 ... calories per person a day, which compares to 2,500 just only seven years earlier.

So far I've spoken about food availability for the average population and for the entire world, of course. Of particular concern, which all of us share, is hunger and malnutrition amongst children. One of the outcomes of the combination of low-calorie intake, inadequate sanitation, and lack of diversified, nutritious diet is manifested in the nutrition status of children. As this child shows, the number of children under five suffering from ... and inadequate nutrition status has declined. But in Africa it has increased, and this is, of course, as I said earlier, another reason to be particularly worried about that reason. The fact that children are mentally and physically handicapped for their life... malnutrition is not only a particular manifestation of poverty, it is also a violation of human rights, I would say, that should be condemned as no less shameful as violations of civil and political human rights. And this goes for children as well as for all peoples of the...

Before concluding this part of my presentation about recent estimates of global hunger, I should emphasize that so far I've spoken of chronic hunger and chronic undernourishment. But especially in these days of international conflict and terrorism, it is particularly important that we also refer to people who are currently facing the acute food emergencies caused by natural or manmade disasters. The report contains recent information on it. As our global early warning system identified, we have 34 countries which are currently in food emergency situations, affecting 50-60 million people; and this could become more, as we all know. And the acute food emergency, of course, comes for most of them on top of the chronic poverty and hunger, which makes it even more difficult for them to cope with the situation.

The most shocking aspect of this, ladies and gentlemen, is that the number and the share of cases where manmade disasters, mainly conflict or collapse of government, are the reason for the food

emergency have decreased significantly. It was one in ten food emergencies in the early eighties, and it is five and ten cases per day.

The second issue that I wish to discuss is the relationship between poverty and hunger. Poverty is at the root of undernourishment and food insecurity. What is often ignored or underestimated is that hunger is also a major cause of poverty. And I believe it is time for all of us to analyze the increasing evidence for this more thoroughly and to translate the lessons from that into action. There is substantial evidence now of the negative effects of poor nutrition on productivity and income-earning capacity of individuals, and this is very shocking.

Hunger is itself the cause of poverty, as I have said, and there are a number of arguments shown on the slide. First, a person, in order to be able to work, needs adequate nutrition and good quality of food; otherwise, people who are undernourished are shown to have lower earnings and lower wages. Secondly, there is evidence that poor nutritional status leaves people more susceptible to illness. Thirdly, there's a risk of intergenerational transmission of poor nutritional status. Women who suffer from poor nutrition are more likely to give birth to underweight children. We've known this since quite some time. Fourthly, there is evidence that poor nutrition is associated with poor food performance. And finally, people who live on the edge of starvation can be expected to follow the policy of safety first with respect of their investments, as low as they may be – which means often that they do not invest in the more profitable because more risky assets; and that again may create a vicious circle of malnutrition and poverty.

Ladies and gentlemen, the human impact of all of these factors is staggering. We have evidence that it has an enormous impact on mortality – 2.8 million children and close to 300,000 women die a needless death..., according to a recent study, every year because of malnutrition in these countries. And there is an impact on economic growth, as recent studies also show. It is not just an impact on individuals' income, but with one third or more of the population undernourished, there's no wonder that it impacts on overall economic growth.

This leads me to two other important conclusions. One is, poverty alleviation strategies based on growth, employment and expanded income opportunities are important, but they may be severely compromised if the fundamental problem of hunger is not effectively resolved at the same time and not expected to be a longer-term consequence only. Hunger alleviation, when and where it exists, is a precondition for the realization by the poor of their productivity potential. And secondly, there's a danger of the perpetuation of the hunger trap – poverty, hunger, low productivity, and again poverty.

In our view, and I think this is shared by researchers certainly in many other institutions, the result must be a two-prong approach to development. One prong is the promotion of agriculture and rural development; I will come to that in a moment.

But the other prong is the assurance of immediate and direct access to food of those who are otherwise too weak to participate in development activities. And the report I just mentioned gives a number of successful examples, several of them by the World Food Program, in ways... education, food for its improvement in health services, safe drinking water and the like. Such direct access to food can underpin developing efforts. But then why the first problem? It sounds superfluous to say this in this room – I would, so to speak, speak to the converted. Why agriculture and rural development as an important component of poverty alleviation? Well, let me just recall that the agriculture sector is so important for the developing countries of whom we speak here. Sixty to seventy percent of the poor live in rural areas and derive the basis for the livelihoods directly from agriculture as... or producers or from nonfarm activities dependent on agriculture.

Second, agriculture is the backbone of the economies for the poorest countries. And we have grouped the countries by prevalence of undernourishment, and you see that in a few of our slides. But the group with 2.5% undernourishment, and this goes on up to group five with countries with more than 35% undernourished. And you can see... a particular..., of course, in those countries where hunger is most prevalent.

The conclusion of this shows, on this slide... We have grouped countries that were the best performers of reducing hunger in the 1990s and a group of less performers. And you see that the experience of the 10-12 less-performing countries in hunger alleviation during the 1990s shows that substantial agriculture growth was a fundamental ingredient to their success. None of the countries which increased the number of hungry in the 1990s had positive agriculture growth... ; they all had negative agriculture growth.

And of course there's a third aspect I don't need to emphasize too much – much research comes from IFPRI in this regard – many effects coming from agriculture. And the slide shows additional dollar of income to the local economy has impact on the total income in the local economy. I mean, the amount of income earned in agriculture leads to multiplied effects in the nonagriculture sector of the local economy. And this provides jobs and income, especially for the poor, as has been shown repeatedly.

The analysis so far brings me to the point that agricultural growth is essential for both overall development and for poverty alleviation. But there are lots of obstacles in the way. This may not be easy to see from a distance, but this is a table that shows a comparison of the very suffering regions of the world some indicators that are related to the performance of the agriculture sector, to the ...already achieved, the percentage of irrigated area. And you see in all of these cases that South Sierra in Africa or some other developing regions lag far behind the group of middle-income countries, especially high-income countries and the world at large.

We know that agricultural production technology is not the clue to everything. But without intensification we cannot expect that we have the production growth and the income growth needed in the poor countries in order to overcome hunger there. I cannot go into detail. I think it will be enough... not be necessary here. Just to say that the percentage of land planted with... varieties and all crops ranges from 82% in Asia to 27% in South Sierra, Africa. And I would add that the major task which also emerges is to ensure that the new biotechnologies can be made more conducive for the needs of farmers and consumers in developing countries. And the other issue, water, is also referred to here – why differences in irrigated areas and great need to do more in those countries where hunger is most severe.

I want to add a word on food safety, because food safety is clearly a component of food security. Public awareness of food safety has increased dramatically, especially in developed countries. Together with WSO, we believe that we have in place a system of science-based food safety risk assessments that gives confidence to consumers worldwide. However, we do believe that food safety in developing countries needs more attention, not only because developing countries are complaining more and more about increasing the rigid standards, safety center, that they cannot adhere to when they want to export, but also because the health of their own people needs to be increased, and the safety of food, often unsafe food, is one reason for frequent illnesses.

We have just proposed the establishment of a global food safety facility for the least-developed countries, which aims ...capacity of food safety regulations, but it also aims to help developing countries to participate more actively and...

Food safety should no longer be the luxury of the rich only. I am convinced that a lot needs to be done if we share this view.

Mr. Chairman, I cannot leave this assessment of the food security situation without at least referring briefly to HIV/AIDS, although another presentation will follow. This slide shows the agricultural direction of HIV/AIDS, which affects so many people and increasingly more, and in particular in Africa. It is a slide resulting from estimates that the FAO made which shows the percentage, the reduction in labor force, not to speak of the human tragedy, which of course has an impact on the entire agricultural system, on the farming system, 25% over the span of a generation. Fifteen years are past, but it includes a projection if trends continue. And this, of course, doesn't require more explanation. A lot needs to be done, and we will discuss this later.

Mr. Chairman, this brings me to one final point: Resources for agricultural development. There's... and acceptability, I believe, among state...in the development debate that agricultural and rural development are essential elements of the growth and poverty alleviation strategy. And I hope I have contributed by recording the many reasons for that. Yet, a discouraging sign that is simple, but also the central message is not being followed by appropriate action.

The importance of resource mobilization for agricultural productivity and hunger alleviation is to be seen in the next two slides briefly. One shows the differences in the capital stock to labor ratio... in agriculture of developing countries, and we have grouped them by prevalence categories. Category one, countries with almost no significant prevalence of hunger; category five, more than one-third of the population suffering from chronic hunger. The table shows clearly that the capital stock per worker is much higher in countries with low undernourishment than with countries with higher prevalence of hunger. In the same slide you see that this also is reflected in the productivity differences, agricultural GDP per cost of labor force in the right column. And of course we are not surprised that this comes out like that.

This slide shows you another very illustrated demonstration of the same. It shows that you that the capital formation in the 1990s per agricultural worker was positive in the best-performing countries – best-performing in terms of hunger reduction. The yellow color shows this, and the red shows that the countries which were performing worse in terms of hunger reduction did not even prevent a decline in capital stock, and the amount in only ten or eight years of \$160 per agricultural worker, which is coming from a very low initial... anyway. This slide on the right-hand side shows that... to agriculture went into a, shows a similar pattern, slight increases although not much... which was successful in fighting hunger, and a decline in the rest of the ... group. Of course, chicken-and-egg questions have to be asked here. It is certainly interrelated. What is the cause and what is the effect?

Let me conclude with summary advice on who should mobilize the resources required for this enormous task. To be clear, the bulk of the resources for investment in agriculture has always come and will continue to come from the farmers in other private sectors; we estimate 75% of the ... needed comes from there. At the same time public investment is in support of infrastructure. Public goods such as basic agricultural research and institution building is an essential prerequisite for attracting private investment, both domestically and internationally. The data on government expenditure on agriculture are set, and reporting by countries is unfortunately nonconsistent. However, in the report presented, prepared for the World Food Summit... later that is now postponed, and entitled "Resource Mobilization for Fighting Hunger," you would find figures that underline that the countries which had the highest prevalence of hunger show the lowest proportion of public expense is going to agriculture, less than 10% on average and sometimes even much less, compared to a share of agriculture in the GDP, which is often 30% or more. This slide shows ... agriculture orientation index, which is simply the share and public expenditure

divided by the share of agriculture in GDP. And you see again the same pattern in category one – relatively high shares of expenditure going to agriculture; category five, very low shares.

I think we come to a very consistent conclusion from all of these, and that is that more needs to be done and wrong priorities are set. Countries of course, certainly, but the priorities, unless they are... [tape side 2] has to be reflected and reconsidered as well. It cannot be that the share of official development assistance to agriculture goes down as it has, as you can see here, 15% in the 1990s, and international lending almost 40% decline, going to agriculture and rural development. This is not the reflection of the priorities and the insights and lessons learned that I've tried to show. And that is that only through action in rural areas can we hope to be successful in the fight against poverty.

This is my last slide... which summarizes the resource gap in agriculture. ... have estimated with all the uncertainties that are unavoidable here, how much investment is needed in the agriculture and rural sectors of developing countries to reach the World Food Summit targets. An annual investment of \$180 billion would be needed. The reason is, as far as we have figures, lead us to conclude that this is not what is really happening. Sixty billion dollars annually are the shortfall. And if we only take primary agriculture, the percent shortfall is 12% for all developing countries together; but 34%... even for South Sierra, Africa.

Mr. Chairman, ladies and gentlemen, ...mainly be that we need to reconsider priorities, mobilize resources, and in particular mobilize political will at all levels in order to be more successful in the fight against hunger. Time does not allow it go into detail, but one aspect of the political world in my conviction would be within the countries concerned to adopt the World Food Summit target at national level and not leave it to the international global community to declare and accept commitments towards such a goal. Setting national targets on hunger would strengthen the accountability of governments and provide a solid basis around which to build information advocacy and mobilization of all stakeholders of societies.

Second, we must learn lessons from the fact that hunger is not only the consequence of poverty but often also its cause. And third, we need renewed commitment to agriculture development as an essential step towards reduction of hunger and poverty. FAO continues to believe that the goal of halving the number of undernourished people in the world by 2015 can be achieved if countries and their development partners make this their primary objective.

I thank you for your attention.