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ASSESSMENT OF GLOBAL FOOD AND NUTRITION SECURITY

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Thank you so much, Dr. Havener, for these kind words of introduction. Your experience and your wisdom is so important to many of us, and I truly benefited from that. Ambassador Quinn, President of the World Food Prize Foundation, thank you for the invitation. I'm honored to be here in this very difficult slot right after Norman Borlaug. I congratulate the new laureates, Monty Jones, Yuan Longping. For your tremendous contributions, we salute you. I express my respect and admiration to all the World Food Prize laureates. I'm especially happy to salute my predecessor at IFPRI, Per Pinstrup Andersen, among them. His work certainly has made a difference for the better to many millions of people. He has shown that policy research can make a difference to reducing hunger in this world.

The World Food Prize Foundation, I think, is a great and important idea. Mr. Ruan, you make a huge difference to humankind by supporting it. World attention must be drawn to the problem of hunger and its causes, and that's done best by honoring the leaders in science, which offer solutions.

While I'm also particularly happy as a former professor to greet some of the students which have come here. You listened, I am sure, very carefully to Norman Borlaug, who told you the job is not done – we need to go on. I'm afraid, as usual, he is very right. Not only his generation but also my generation, we pass on to you the task to complete. Food and nutrition security is a long-run problem. The worst problems can and hopefully will be resolved within the next 15, 20 years. But as I'm going to tell you, the nutrition security problem will be addressed and resolved by the next generation.

I am going to speak to three points. I've been asked to give an assessment of the food and nutrition security situation. I will talk about the context, the policy developments and risks, and the way forward with action.

If you look at this set of curves, the red line is the development of hunger undernutrition in the developing world between 1980 and 2000. The trend is moving upwards. The absolute number of undernourished people in the world has increased and has not come down. If we include China, the total developing world, the trend looks more healthy, more encouraging. That's not good enough. Hidden hunger – that is, deficiencies of micro nutrients, iron, vitamin A, iodine, zinc and so on – impair the lives of billions of people, two billions of people. Actually,

we do not know the precise overlap between these types of nutrition problems and the crude hunger problem of deficiencies of calories. However, we do know that especially women and children are at risk of disease, premature death and impaired cognitive abilities. We have to remind ourselves on this occasion that still one out of three world citizens have a hunger problem, one out of three. If we define the hunger problem as broadly as we have to do it, which means potentials, livelihoods of people are undermined by a food and nutrition problem. These people do not have a fair chance in life.

When confronting food and nutrition security assessment today, we cannot only ask – how many are hungry and who and where are they? – We know a lot more about that nowadays. But we also need to ask why and what to do.

An assessment of world food problems today requires an assessment of food-related policies – successes and failures. And we have both of these. Let me come to some of these.

If we look at some positive and negative mega developments, I can find an acceleration of global economic growth. This year the world economy grows at probably the highest growth rates since three or four decades. That's good news. That's good news for poor people, but it's not sufficient. Positive policy developments, goals and declarations, have been made at an increasing, unparalleled rate over the last two years. I'll come to those in a moment. But next we observe the negative, mega developments account. Political instability is increasing, volatility of markets in which the poor operate, food markets, labor markets, rural finance, remain a major problem and environmental risks remain unchecked.

The global initiatives which have been taken over the past couple of years or so, I think, really are about to make a difference. We must keep that momentum. The World Food Summit, the Millennium Development Goals, about which the next lecture will give more detail, the ministerial meetings to put development finance on a new footing, the trade talks, the Summit on Sustainable Development at Johannesburg – all of these things, all these events have stimulated critics to become cynical. So much talking – where is the action? Well, it's driven, I think, by the demand of people for action. And let's not be cynical. We have to talk it over, strategize, and then move to action in the right way. To act, act, act without a concept could go astray and frustrate a lot of actors. We have to get it right. The food problem today is a complex problem, I think the scientists among the laureates all understand very well.

The high priority among the follow-up action has to be the WTO (World Trade Organization) framework of our trade organization's framework agreement, which has been made this summer; ending OECD (Organization for Economic Co-Operation and Development) country protection and ending developing countries' own market distortions, has to move in parallel forward. Large gains for small farmers in developing countries can result from it, and large gains for poor consumers. The world's leaders have taken steps to rural and agriculture policy reforms over the last two years. Africa has moved actively forward two summits this year that have addressed agricultural and water issues in Africa. The African leaders talk agriculture – that's new, and that's good. Asia has had major pro-poor reforms, in India currently ongoing, and rural taxation reforms in China, in response to critical situations in the countryside where poverty has not come down fast with the fabulous economic growth in China. Those were critical

reforms, very important reforms. Latin America has adopted a plan of action for agriculture as well last year.

However, we have rather mixed tendencies in a key area, which will cause us to assess the food security situation. With improvement of the food situation, it not only matters what policies are initiated but how they are translated into action. Good governance is key for that; good governance in agriculture and the food sector is key for that. We see now stronger parties... democratic processes, and many serious elections in low-income countries. Poor, hungry people having votes – that's a big issue, for the positive.

Progress in decentralization – local government making more decisions close to people, rather than just central government. India and China have moved along, after Latin America has taken the lead. We have progress in legal systems so central for small farmers and poor people who want to engage in the markets, that their contracts can be trusted and the legal system.

But we have failures to cut across what I would call the thresholds of conflict and insecurity. Let me explain that point, that negative point. We find in research at IFPRI and elsewhere that when minimum preconditions of peace and security are not given, nothing moves, no one invests. Some little improvement on security and conflicts does not make a difference until you cut a threshold, until you come to a level where investors are willing to move in and civil societies get organized. So unless we are reaching such minimum levels of peace and security, much of what we are talking about will not be achieved.

Now, there is a cause also. Feedback to agriculture productivity facilitating growth and thereby facilitating prosperity and reducing conflicts. But I wanted to get across to you new research which we are looking at, that we really need to have big investments in security and parallel with agriculture growth promotion in order to get the private sector and civil societies' steps moving forward to cut hunger. This is not happening in many parts of the world.

Let me come to my last point. The way forward with action. Ladies and gentleman, at the desk outside, there's a little abstract of my paper in which the new risks and new opportunities of the food security situation in the world are described in greater detail. To save us some time, let me point to that paper and simply highlight that we are at IFPRI currently looking at different scenarios, scenarios of the future of the world food situation. A progressive policy action scenario, colored green in the following graphs, has a new focus on agriculture growth in rural development, together with social investments. A policy failure scenario would be driven by political conflict and not coming to trade negotiation conclusions, which facilitate growth and market-driven prosperity. A technology and resource management failure scenario would be underpinned by adverse natural resource management, mismanagement of water and soils, and a lack of investment in technology.

It truly matters what is being done in policy. The green line here is the availability of food in the world resulting from the progressive policy action scenario. That scenario would be consistent with reaching the Millennium Development Goals – cutting hunger in half by 2015. The two other scenarios would not. Unfortunately, the two other scenarios are highly plausible. The number of undernourished children, that is, children who are underweight, would only slowly come down, even under the progressive policy action scenario; because it takes time to

address the food, health, education, mother's time and care problems, which drive the welfare of children.

The progressive action scenario has three major action areas: To focus on agriculture in rural development for growth, to invest in education, social problems and health, which Norman Borlaug has so eloquently just addressed, and to address the sustainable natural resource management issues.

Effective research and technology policy is central. We need to go where the problems and potentials overlap with that research, focus research on priority farming systems with greatest potentials in increasing agricultural productivity, and reducing malnutrition. We have much more powerful tools to do that. The international research on GIS-based mapping facilitates overlaying knowledge in a much better and targeted way than we could do so in the old days by traveling and statistics. So I think GIS is a major breakthrough. I just want to point at that area of research, which facilitates a lot of good combination now between natural science research and social policy research.

Paying tribute to our two laureates on rice, let me point at some recent IFPRI research results on India and China. What has been the impact of rice research on cutting poverty in India and China? I apologize to Monty Jones that IFPRI has not yet done this research in Africa. I'm sure that your contribution in research has brought down the percentages of poor people in Africa, clearly, and increased the rates of reduction of poverty, roughly in line with what we find in Asia.

Let me point to India and China. Rice research in the 1990s has cut annually about five million people out of the group who are below the poverty line in India, and in China it was roughly also five million people annually, per annum. Nowadays the figure in China is much smaller in absolute terms – no longer five million people per annum, but about one and a half million per annum. That's good news, because total poverty has come down so far that incremental productivity gains in rice no longer have the big impact as it had in the 1970s, 80s and even in the early 1990s. It's still very relevant – 1.5 million people. Let's not belittle that. That's very relevant, but it's good news. Agricultural research brings down poverty directly.

And in Africa you often hear, let them do some other work. Farms are too unproductive. Let the small farmers go for other income sources. If you look at these figures from Benin and Malawi, farmers are doing that. The share of their income, for instance in Malawi, from nonfarm enterprises, nonagricultural wages, in the smallest and poorest farms is bigger than what they make out of their farms. However, they don't get out of poverty this way. They do not get out of poverty this way, because they are forced to diversify their income sources in low-paying, miserable off-farm work, and the crop sales on farms do not facilitate the growth of their total income at the same time. So the root cause here is over or low productivity of labor, which needs to be addressed by increasing agricultural productivity on these farms.

In addition, protection for the poor is needed. The productivity agenda must be accompanied by a social protection agenda. Attention to the environment for food and nutrition security must remain our focus for the long run. For the long run, maintain soil fertility, water productivity enhancement, and keep biodiversity of the world as an insurance for the next

generations remains very important. But agriculture productivity, I refer back to Norman Borlaug, is key to let us do this, not as a standalone activity – environmental protection as a standalone activity will not facilitate cutting hunger and malnutrition.

Action requires partnerships, ladies and gentlemen, government civil society organizations, including research, markets and business, must move together in order to address the problem of hunger and malnutrition.

My assessment is that we see some very good, positive trends of partnership over the recent three to five years. Let me just point in conclusion to good trends on the side of the private sector. We have increased interest of the private sector in the poor – partly for selfish, good, selfish reasons – the poor as consumers, but also low income farmers, small farmers facilitating the improved high-quality, high-value food supply, at least in East Asia where these small farmers are well connected, our research shows, to the mushrooming supermarkets, a trend which we do not see in Latin America, but in East Asia the small rural producers are part of the modernizing supply chains.

We also see good, public private partnerships. I point to a nutrition initiative. And the biofortification agenda, which IFPRI and CIAT drive in the CGIAR system, also is very much a public/private partnership initiative. I'm delighted that you have put biofortification even into the subheading of your conference. This is great news and is testimony to my point that we see increased involvement of the private sector and much-improved public/private partnership.

And we see more sharing of technologies that benefits the poor. Rethinking of intellectual property rights, the giving of GMO knowledge to the public, I think are excellent examples.

Ladies and gentlemen, is this a promising sequence? The world is setting ambitious goals – Millennium Development Goals declares a lot in policy at the speed and power of an avalanche over the last three years. I think there is really something new. Policy initiatives are being taken, which means translating declarations into plans. But we are before these last two steps; we are not there. The policy actions and investments are not yet coming to the extent desirable and necessary to get the job done. And the impacts on the ground are not yet felt by poor people.

Again, I think we have moved world community, internationally and nationally to the necessary three steps of this sequence, but in order to turn this trend around, impact on the ground must come, it can come, and it needs to be done.

Thank you.