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**MANAGING EMERGING AND PERSISTENT RISKS TO ENSURE
INCLUSIVE SOCIAL DEVELOPMENT**

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**MANAGING RISKS POSED BY FOOD INSECURITY THROUGH INCLUSIVE
SOCIAL POLICY AND SOCIAL PROTECTION INTERVENTIONS**

Note by the secretariat

SUMMARY

The Asian and Pacific region has experienced unprecedented socio-economic development in the last few decades. Nevertheless, the fruits of such development have not been enjoyed by all in the region and millions of people remain in poverty. Disadvantaged and socially marginalized groups, including children, older persons, persons with disabilities and many women, comprising a large proportion of the poor, are particularly at risk of being adversely affected by the recent large increases in food and fuel prices that have occurred within a short span of time. The situation is particularly challenging for developing countries in Asia and the Pacific, as they do not have well developed social protection in place to assist those in need.

The present document examines food security in the context of the social implications of the emerging challenges and threats to development currently facing the Asian and Pacific region. Emphasis is placed on considering the social protection responses to the global food price crisis proposed in the comprehensive framework for action produced by the Secretary-General's high-level task force on the global food security crisis and the role that social policy and social protection play in preventing, mitigating and responding to the effects of such crises and in contributing to inclusive socio-economic development which can improve people's ability to cope. Moreover, the role that regional cooperation can play in improving food security is considered.

The Committee may wish to consider the comprehensive framework for action and its applicability to the Asia-Pacific region and recommend to the Commission any future work to be undertaken by the secretariat to address causes of the food crisis and promote inclusive social policy and social protection interventions.

* The late submission of the present document is related to the recent restructuring of the conference structure of the Commission, which was approved by the Economic and Social Council only in July 2008.

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INTRODUCTION

1. The Asian and Pacific region, as other parts of the world, has recently experienced a rapid increase in the prices of several food commodities. Food grain prices more than doubled between January 2006 and June 2008, with over 60 per cent of this increase occurring since January 2008.¹ The price of rice, a staple food across much of Asia and the Pacific, has risen particularly rapidly, as has wheat. Asia is by far the largest wheat consuming region, accounting for almost half of global wheat consumption.² In addition, the price of oil has sharply risen in a short span of time, driving up the costs of fertilizer and transportation. The effects of such price increases have been particularly damaging to the poor since they typically spend 50 to 80 per cent of their income on food alone.

2. In addition, the impact of natural disasters and extreme weather has exacerbated the situation in some countries. Droughts in countries such as Australia—an important food producer—have contributed to reduced supply. At a recent meeting convened by the United Nations Development Programme in Almaty (21-22 July 2008), participants from a range of international organizations reviewed the situation in Central Asia and warned that “a combination of factors—chronic water and energy shortages in parts of Central Asia combined with the area-specific drought conditions and hence threats to agricultural production in rain-fed parts of Tajikistan and Kyrgyzstan (and possibly in the areas of Uzbekistan and Kazakhstan irrigated with waters from the Syr Darya), continuing energy shortages in Tajikistan and Kyrgyzstan, and generally rising energy and food prices—could have serious economic and social consequences for large parts of Central Asia, and especially in the poorest countries, Kyrgyzstan and Tajikistan”.³

3. Although food security is an old problem in the region, recent natural disasters—including Cyclone Nargis, which struck Myanmar in May 2008, and the Sichuan, China earthquake which occurred in the same month—illustrate the importance of disaster preparedness and the maintenance of food security. They also demonstrate the importance of effective and inclusive social policy and social protection interventions in enabling those in need to cover their most basic needs, build resilience and avert risks.

I. FOOD SECURITY IN THE CONTEXT OF SOCIO-ECONOMIC GROWTH

A. Food security—an evolving concept

4. Food security has been defined in a variety of ways and, as a concept, it has changed over time, but in essence it implies the continual accessibility and availability of an adequate quantity and quality of food to all people. In the Asian and Pacific region, a lack of food security—food

¹ World Bank, *Guidance for Responses from the Human Development Sectors to Rising Food Prices*, Human Development Network (21 June 2008).

² Food and Agriculture Organization of the United Nations, *Asia Pacific Food Situation Update* (June 2008), p. 2.

³ Johannes F. Linn, *The Compound Water-Energy-Food Crisis Risks in Central Asia: Update on an International Response* (Brookings Institution, 12 August 2008), accessed from www.brookings.edu/opinions/2008/0812_central_asia_linn.aspx on 1 September 2008.

insecurity—affects millions of people, in particular those made vulnerable due to other factors such as discrimination, displacement or migration and conflicts or natural disasters. Before undertaking further analysis, it is useful to consider food insecurity in the context of the lack of availability, access or utilization of food in its various forms. Food insecurity may be chronic, such as when it is long-term and persistent; cyclical, as in the case of periods between planting and harvest; or transitory, as in the context of specific shocks (including natural and man-made disasters) which lead to shortages in food or sudden price increases. Shocks may be covariant, when they affect the whole population in a defined area (e.g. flooding or drought), or idiosyncratic, when they affect specific individuals (e.g. illness or old age).⁴ With this in mind, it is important to carefully plan social policy and social protection interventions which are tailored to specific circumstances, yet are also flexible enough to cope with environmental, economic and social changes that might occur.

5. Food security is a key element of sustainable human development. According to the World Bank, a food crisis may have a negative impact on human development in four ways: by increasing poverty and inequality, by worsening nutrition, by reducing the utilization of education and health services and by depleting the productive assets of the poor. A deterioration in any of these areas is difficult to reverse and may have implications for years, and in some cases generations, to come.⁵ In fact, food insecurity and the price increases that exacerbate it have adverse consequences not only for socio-economic development, but also for social cohesion. The double threat of rising food and fuel prices and ensuing high inflation threaten to bring about greater inequality and have, in some parts of the world, already resulted in protests and even conflict. Indeed, such developments could stall or reverse progress towards achieving the Millennium Development Goals. Therefore, attention needs to be directed towards ensuring food security through interventions that also promote inclusive development for all and reduce vulnerability to shocks.

6. Considering a more long-term perspective, the global demand for grains has increased more than global supply, resulting in a fall in world stocks from 115 days to 54 days of consumption over the period 1999-2007.⁶ A decline in the growth of agricultural yields in Asia and the Pacific, a region which is still experiencing population growth, has been another factor contributing to food price increases. This is largely due to the lack of investment in the agricultural sector.⁷ Growth in agricultural output has fallen in South Asia and in East Asia and the Pacific from 3.6 per cent and 4.0 per cent, respectively, in the 1980s to 3.0 per cent and 0.1 per cent in 2000-2003. The low crop yields

⁴ Elizabeth Cromwell and Rachel Slater, *Food security and social protection*, paper produced for DIFID (September 2004).

⁵ World Bank, *Guidance for Responses from the Human Development Sectors to Rising Food Prices*, Human Development Network, World Bank, 21 June 2008, accessed from http://siteresources.worldbank.org/EXTSAFETYNETSANDTRANSFERS/Resources/HD_Response_Food_Prices.pdf?resourceurlname=HD_Response_Food_Prices.pdf in July 2008.

⁶ Food and Agriculture Organization of the United Nations, *International Commodity Prices*, accessed from <http://www.fao.org/es/esc/prices/PricesServlet.jsp?lang=en>, in July 2008.

⁷ ESCAP, *Economic and Social Survey of Asia and the Pacific 2008: Sustaining Growth and Sharing Prosperity* (United Nations publication, Sales No. E.08.II.F.7).

experienced are largely a consequence of limited investment in research and extension beyond what was achieved in the early years of the green revolution.⁸

7. Many determinants—including natural disasters such as floods, droughts and cyclones and energy price increases—contribute to food insecurity, which results in an increase in the price of fertilizer, transport and pesticides. Moreover, the environmental impact of current and projected energy consumption patterns plays a role in threatening the lives and livelihoods of millions across the region, both in terms of food insecurity and in terms of catastrophic natural events. Responses, therefore, must cut across many sectors.

8. Other reasons for the dramatic increase in food prices are soaring oil prices; the impact of excessive subprime lending in the United States and the drop in the value of the United States dollar; competition with regard to land use, such as for the production of biofuels or for urban development; and the increased demand for meat and dairy products by members of the expanding middle class and urban populations in countries experiencing rapid economic growth, such as China and India. The production of meat and dairy products tends to be particularly input intensive, including the intensive use of grains. Several calories of grain are needed to produce just one calorie of meat, and high demand for both grain and meat pushes up the price of both. Additional factors that contribute to food insecurity are poor governance, the lack of property rights and land tenure, discrimination and social exclusion, as well as the following:⁹

- The effect of diseases, such as HIV/AIDS and malaria, which can undermine the capacity of households to work and hence produce or purchase food
- Inadequate sanitation and water, which can increase the burden of disease and exacerbate malnutrition
- Lack of access for women and smallholder farmers to credit (especially short-term seasonal credit) needed to invest and innovate
- Conflict and persecution, which can cause food emergencies, reverse economic growth, force migration and destroy schools, hospitals and roads

1. International Development Goals and hunger

9. The first of the Millennium Development Goals is to eradicate extreme poverty and hunger. The other Goals are closely related to poverty and hunger. For example, if people must pay for education and health care and also buy food from the same budget, health care and education may be forgone, which can result in higher infant and maternal mortality ratios; lost opportunities for children, in particular, to be educated; stunted mental and physical development of children due to malnutrition; and a less healthy and productive workforce. While the reduction of poverty and hunger would

⁸ Food and Agriculture Organization of the United Nations, *Rapid growth of selected Asian economies: lessons and implications for agriculture and food security: China and India*, Policy Assistance Series 1.2 (Rome, 2006).

⁹ United Kingdom of Great Britain and Northern Ireland, *Food Security in Developing Countries*, Parliamentary Office of Science and Technology Postnote No. 274 (December 2006) accessed from www.alphagalileo.org/images/postpn274.pdf in July 2008.

directly help the achievement of other Goals, so, too, would progress towards achieving the third Goal, to promote gender equality and empower women.

10. A lack of food security often results in deficiencies in micronutrients and contributes to stunted growth, malnutrition and poor health. The second target under Millennium Development Goal 1 is concerned with halving the proportion of people suffering from hunger. The two indicators under this target are the following:

- The percentage of underweight children under age 5
- The proportion of the population that is below a minimum level of dietary energy consumption

11. It is important to note, however, that a lack of hunger may not imply food security, since cultural and institutional factors may be influential. Indeed, overnutrition can also have a negative impact on health and productivity in the case of the excessive consumption of nutrient-poor food. Bearing this in mind, interventions also need to address nutrition, as well as food allocation within households based on social status, age and sex. Pregnant and lactating women must have access to food which can meet their increased nutritional requirements.

12. In aggregate terms, the Asian and Pacific region is considerably behind its Millennium Development Goal target of reducing hunger, with 28 per cent of children under age 5 in the region being underweight. In certain countries, the percentage of underweight children is almost 50. On a global scale, the region accounts for about two thirds of underweight children. Many children in the region are born underweight. In a continuous cycle of malnutrition, underweight and malnourished girls grow up to become undernourished mothers of underweight babies.¹⁰

B. Challenges of increasing wealth alongside increasing vulnerabilities

13. The aforementioned scenario in Asia and the Pacific needs to be seen in the context of a region which is experiencing unprecedented socio-economic development. The region has become a powerful driver of world economic growth; during the period 1988 to 2005, Asia's developing countries experienced an average annual rate of economic growth of 7.5 per cent—more than twice that of the rest of the world. Along with economic growth, there has been a sharp drop in the infant mortality rate in almost all countries in Asia and the Pacific. This has contributed to a 70 per cent rise in life expectancy, from 40.19 years in 1960 to 68.17 years in 2004.¹¹ Aggregate values of this nature, however, mask significant variations between countries as well as between regions within countries. This, in turn, reveals that progress with regard to achieving the Millennium Development Goals is not only disparate; in many settings, there is a rather slim chance that the Goals will be achieved. Indeed,

¹⁰ ESCAP/ADB/UNDP, *A Future Within Reach 2008: Regional Partnerships for the Millennium Development Goals in Asia and the Pacific* (New York, 2008).

¹¹ ESCAP, *Development of Health Systems in the Context of Enhancing Economic Growth towards Achieving the Millennium Development Goals in Asia and the Pacific* (United Nations publication, Sales No. E.07.II.F.12).

several countries seem to have stagnated or even regressed with regard to reducing income poverty. In many countries, robust economic growth has not translated into inclusive development. A consequence of this is that inequality between and within countries of the region has risen and is causing significant social and economic stress.¹²

14. Across the region, millions of people continue to be malnourished; this makes them more susceptible to poor health and to entering a cycle of poverty and illness. It also diminishes their capacity to participate effectively in economic and social development. Beyond the social dimension covered by the majority of the Millennium Development Goals, the environmental dimension covered by Goal 7 poses a major challenge in the context of rendering the development process a sustainable one. This, in turn, has significant implications in the social and economic spheres. In small Pacific island countries, there is a heavy reliance on imported foods; furthermore, internal transport costs and poor infrastructure in these countries, as in some other parts of the Asian and Pacific region, can further drive up the cost of this already expensive food. Governments and other stakeholders urgently need to find ways to improve the situation by considering why food prices have risen and why access may be constrained in order to ensure food security.

15. Countries in the region have responded to the sharp rise in food prices in a variety of ways, such as through measures aimed at markets (e.g. reductions in import tariffs, export taxes or restrictions, and restrictions on stockholding by private traders), and through direct support to consumers. For example, the Republic of Korea has cut import duties on wheat, while in April 2008, the Government of Japan started charging flour millers about 30 per cent more for imported wheat. Government-imposed tariffs on wheat exports exist in China and Pakistan, while Kazakhstan halted foreign sales. The Government of the Lao People's Democratic Republic decided to establish a national rice bank and the Government of Thailand has purchased around 350,000 ton of paddy land.¹³

16. Addressing hunger is imperative, as it is "a basic development issue impeding national economic growth and keeping millions trapped in poverty".¹⁴ Investments in improving nutritional status can play an influential role in contributing to socio-economic growth by enhancing health and productivity. In South Asia, for example, an increase of 500 kilocalories in the daily dietary energy supply corresponds to a 1.7 per cent rise in economic growth. Undernutrition in Afghanistan, Bangladesh, India and Pakistan ranges from 38 to 51 per cent, compared with 26 per cent in sub-Saharan Africa, and it is estimated that malnutrition costs poor countries up to 3 per cent of their annual economic growth.¹⁵

¹² Asian Development Bank, *Key Indicators 2007* (Manila, 2007).

¹³ Food and Agriculture Organization of the United Nations, *Asia Pacific Food Situation Update*, Regional Office for Asia and the Pacific (June and July 2008); *National Policy Responses to High Food Prices*, Economic and Social Perspectives Policy Brief 1 (July 2008).

¹⁴ Food and Agriculture Organization of the United Nations, *The state of food insecurity in the world 2000*, (Rome, 2000), p. iv.

¹⁵ World Bank, *Repositioning nutrition as central to development: A strategy for large scale action* (Washington, D.C., 2005).

17. Food security as a concept may be applied at differing levels of aggregation ranging from the individual up to the global level. This is relevant when considering access to and the availability and distribution of food, for a nation or a smaller unit may have stocks of food, but they might not be accessible to all. An example of this is the Bengal famine of the early 1940s, where there were granaries full of food but also people dying outside of them who did not have the purchasing power to buy the food.¹⁶

18. The 1996 Rome Declaration on World Food Security and the World Food Summit Plan of Action acknowledged a significant increase in the availability of food in the preceding decades. Nevertheless, it was also recognized that some people were prevented from fulfilling their basic needs as a consequence of poor access to food due to their continual inability to purchase food, the instability of both the supply of and the demand for food and man-made and natural disasters.¹⁷

19. In addition, discrimination and social exclusion prevent some groups from accessing food. Women, for example, often have less access to adequate quantities and quality of food than men due to lack of income or secure tenure of land, cultural restrictions on consumption of some foods and an unequal distribution of resources within the household. The significance of poverty eradication through the full participation of both women and men in order to achieve sustainable food security for all was reaffirmed at the 1996 World Food Summit and the 2002 World Summit on Sustainable Development and in the United Nations Millennium Declaration. In addition, at the summits and in the Declaration, the urgent need for global action to surmount persisting gender disparity was recognized.¹⁸

20. Asian and Pacific countries have experienced high rates of urbanization. Even under normal price conditions, the urban poor are often not capable of producing or purchasing food or household energy for subsistence. In the context of the Pacific islands, poverty generally does not imply the kind of hunger or destitution experienced in certain parts of Asia. It rather means a continuous struggle to meet essential living expenses in urban areas, in particular, especially those that require cash payments. Families constantly have to make choices between the competing demands for expenditures on food and other basic needs, given their limited availability of cash income. Often trade-offs are made, for instance between food and school fees, and there are struggles to purchase adequate and suitably nutritious food. Households may borrow regularly from loan sharks who charge them very high rates of interest for small unsecured loans to meet basic family commitments and community obligations. As a consequence, many families are frequently, and some are constantly, in debt.¹⁹

¹⁶ Amartya Sen, *Poverty and famines: An essay in entitlement and deprivation* (Oxford, The Clarendon Press, 1986).

¹⁷ Food and Agriculture Organization of the United Nations, *Rome Declaration on World Food Security and World Food Summit Plan of Action* (Rome, 1996).

¹⁸ Food and Agriculture Organization of the United Nations, *Rural women and food security in Asia and the Pacific: Prospects and paradoxes*, Regional Office for Asia and the Pacific (Bangkok, 2005).

¹⁹ D. Abbott and S. Pollard, *Hardship and Poverty in the Pacific* (Manila, Asian Development Bank, 2004).

21. Urbanization is also irreversibly changing both consumption and production patterns. This is particularly the case with the conversion of agricultural land, competing demands for water and the need for energy. Growing urban populations lead to changing food habits caused by the increasing dependence on imported staples at the expense of those produced locally.²⁰ Due to the highly monetized urban economies, income security is especially crucial for people living in cities.

II. RESPONSE OF THE INTERNATIONAL COMMUNITY

A. United Nations

22. On 28 April 2008, the Secretary-General established a task force on the global food security crisis composed of the heads of the United Nations specialized agencies, funds and programmes, the Bretton Woods institutions and relevant parts of the Secretariat. The task force is chaired by the Secretary-General, while the Director-General of the Food and Agriculture Organization, Jacques Diouf, is the Vice-Chairman. The primary aim of the task force is to promote a unified response to the global food price challenge, including by facilitating the creation of a prioritized plan of action and coordinating its implementation.

1. Comprehensive framework for action

23. The framework sets out the joint position of the members of the high-level task force on proposed actions to:

- Address the current threats and opportunities resulting from food price rises
- Create policy changes to avoid future food crises
- Contribute to country, regional and global food and nutritional security

24. The task force presented its comprehensive framework for action in July 2008. In addition to providing an analytical framework on drivers, threats and opportunities, it presented recommended actions to meet the immediate needs of vulnerable populations and to build longer-term resilience and contribute to global food and nutritional security. The framework also emphasized the importance of addressing the needs of smallholder farmers. The last part focused on achieving the outcomes of the framework.

25. In addition to the urgent need to ensure that energy needs are fully met, some of the other urgent actions required to meet the immediate needs of vulnerable populations include the following:

- Promote school feeding
- Scale up nutritional support
- Support the management of undernutrition
- Protect the basic consumption needs of the poor

²⁰ High-level task force on the global food crisis, *Comprehensive framework for action* (United Nations, July 2008), p. 24, accessed from www.un.org/issues/food/taskforce/docs.html on 3 September 2008.

- Adjust pensions and other social protection programmes

26. To be more effective in building resilience to price shocks, social protection systems should go hand in hand with risk management instruments so as to mitigate the effects of ensuing crises and disasters jointly. They should incorporate the most efficient means of transfer to reach out to vulnerable populations and improve linkages with other basic social services. The comprehensive framework for action recommends actions such as the following to expand social protection systems:

- Identify alternatives to unconditional assistance through linkages to other social sector programmes, using a combination of food and cash inputs. Conditional transfers can be based on means testing to assist specific population groups. Food-for-work and cash-for-work, for example, are forms of conditional transfer that can effectively engage the unemployed yet able-bodied population in the rehabilitation of small-scale infrastructure and agricultural assets with lasting benefits for the community, while at the same time addressing the immediate needs of the participants. Food- and cash-for-training are other forms of conditional transfers, which assist people in adopting skills, entering or re-entering the labour market and becoming more self-sufficient. School feeding can be an effective incentive to improve school enrolment and attendance among children, in particular girls. In order to enhance the nutritional aspect of the programme, it should aim to integrate food and nutrition education into the school curriculum.
- Improve the quality and diversity of the foods channelled through nutrition interventions to highly vulnerable populations.
- Move towards more efficient programmes as the mechanisms for beneficiary selection and the toolbox for effective programme delivery are fine-tuned and improved in accordance with country-level capacity.

27. The high-level task force has invited ESCAP to request that the Committee offer its views on the regional dimensions of the problem and the role of regional organizations.

B. Human rights norms and standards

28. Food security is a basic human right, which is enshrined in the Universal Declaration of Human Rights under article 25. Also, States parties to the International Covenant on Economic, Social and Cultural Rights have a “core obligation to take the necessary action to mitigate and alleviate hunger”.²¹ The Committee on Economic, Social and Cultural Rights, in its General Comment 12 (1999), states:

²¹ General Comment 12 (E/C.12/1999/5), adopted in 1999 by the Committee on Economic, Social and Cultural Rights, aims to identify some of the principal issues which the Committee considers to be important in relation to the right to adequate food. Its preparation was triggered by the request of Member States during the 1996 World Food Summit for a better definition of the rights relating to food in article 11 of the Covenant and by a special request to the Committee to give particular attention to the Summit Plan of Action in monitoring the implementation of the specific measures provided for in article 11 of the International Covenant on Economic, Social and Cultural Rights.

Physical accessibility implies that adequate food must be accessible to everyone, including physically vulnerable individuals, such as infants and young children, elderly people, the physically disabled, the terminally ill and persons with persistent medical problems, including the mentally ill. Victims of natural disasters, people living in disaster-prone areas and other specially disadvantaged groups may need special attention and sometimes priority consideration with respect to accessibility of food. A particular vulnerability is that of many indigenous population groups whose access to their ancestral lands may be threatened.

29. It also clarifies the obligations of international financial institutions in ensuring the protection of the right to food by stating:

The international financial institutions, notably the International Monetary Fund and the World Bank, should pay greater attention to the protection of the right to food in their lending policies and credit agreements and in international measures to deal with the debt crisis. Care should be taken, in line with the Committee's General Comment No. 2, paragraph 9, in any structural adjustment programme to ensure that the right to food is protected.

30. Reduced purchasing power, combined with higher food and fuel prices, forces families to reduce expenditures on education and health care and to sell off productive assets, thereby increasing their risk of hunger and engaging in risky behaviours. The Committee on Economic, Social and Cultural Rights, again in General Comment 12, states:

Economic accessibility implies that personal or household financial costs associated with the acquisition of food for an adequate diet should be at a level such that the attainment and satisfaction of other basic needs are not threatened or compromised. Economic accessibility applies to any acquisition pattern or entitlement through which people procure their food and is a measure of the extent to which it is satisfactory for the enjoyment of the right to adequate food. Socially vulnerable groups such as landless persons and other particularly impoverished segments of the population may need attention through special programmes.

C. Partnerships at the regional level

31. The high-level task force will engage with the regional organizations as they expand their role in supporting a coordinated analysis of and responses to the food crisis. Intergovernmental organizations or political groupings in the Asia-Pacific region can provide an analysis of issues and coordinate responses amongst their members. There are a number of initiatives in Africa, for example, which promote coordinated actions and sharing of experience.

32. The regional multilateral development banks, such as the Asian Development Bank, have extensive experience in supporting agricultural development and social protection in developing countries in their respective areas of the world, and they have committed significant additional funding and technical expertise in response to the food crisis. The Islamic Development Bank has also committed to supporting agricultural development. The task force and the leadership of the regional development banks and regional intergovernmental bodies will work together to analyse the causes and impacts, trends and policy options of the food crisis in the region. They are encouraging the use of common country implementation approaches, including partnership arrangements with the private sector, the farmer and producer organizations and other partners.

33. Regional cooperation can be an effective means of preventing and reacting to crises, as can be seen in the context of mitigating the impacts of natural disasters, including floods, droughts and other events that bring about food insecurity. Regional social policies address issues that benefit from intergovernmental cross-border cooperation. They act as an extension of national social policies and should be consistent with their objectives. Policies at the regional level can be developed for matters such as redistribution (e.g. official development assistance), regulations (e.g. negotiation with private providers to ensure access, affordability and quality standards in commercial spheres), investment in research and development and the sharing of experiences. Effective regional early warning systems can enhance food security by coordinating agricultural information from member States on matters such as expected crop yields and droughts. Regional action can also involve investments in effective food storage facilities, food banks and transport logistics, and the establishment of regional agricultural insurance, e.g. crop and cattle insurance.²²

34. Within the ESCAP region, subregional associations have a history of undertaking certain activities to enhance food security. In 1997, the South Asian Association for Regional Cooperation (SAARC) established a regional food security reserve. Heads of State and Government participating in the Fifteenth SAARC Summit held in Colombo from 2 to 3 August 2008 issued the Colombo Statement on Food Security affirming their resolve to “ensure region-wide food security and make South Asia, once again, the granary of the world”.²³ They also directed that an extraordinary meeting of the agriculture ministers of the SAARC member States be convened in New Delhi in November 2008 to consider the implementation of a people-centred, short- to medium-term regional strategy and collaborative projects to contribute to improved food security by, inter alia:

- Increasing food production
- Investing in agriculture and agro-based industries
- Increasing agricultural research and efforts to prevent soil health degradation

²² Bob Deacon, Isabel Ortiz and Sergei Zelenev, *Regional Social Policy*, Department of Economic and Social Affairs Working Paper No. 37 (ST/ESA/2007/DWP/37, June 2007).

²³ Colombo Statement on Food Security, accessed from www.saarc-sec.org/data/summit15/colombo_statement_on_food_security.htm on 1 September 2008.

- Developing and sharing agricultural technologies
- Sharing best practices in procurement and distribution
- Improving management of the climatic and disease-related risks in agriculture

Furthermore, they directed the SAARC Food Bank to be urgently operationalized and emphasized the need to draft the SAARC Agriculture Perspective 2020 quickly.

35. In 1999, the Agreement on the Association of Southeast Asian Nations (ASEAN) Food Security Reserve saw members of ASEAN emphasizing the importance of establishing a food security reserve based on the principles of collective self-reliance, economic resilience and solidarity. In response to the current food crisis, there was an expression from within ASEAN that the organization was ready to tackle soaring food prices by implementing measures such as strengthening its existing food security mechanisms. Members of the organization, in aggregate terms, have a surplus of many food commodities and the organization has stated that it would be willing to share its surpluses with countries beyond Southeast Asia in order to help alleviate the adverse effects food price increases.²⁴ ASEAN also has mechanisms that are directly related to food security in the region, including the ASEAN Food Security Reserve and the East Asia Emergency Rice Reserve comprising the ASEAN Plus Three countries of China, Japan and the Republic of Korea. In addition, an information network on food security has been established among these countries through the ASEAN Food Security Information System. These mechanisms are designed mainly for the sharing of rice stocks among countries during disasters and other natural emergencies. In response to Cyclone Nargis, ASEAN played an important role in facilitating and coordinating international assistance to those affected by the disaster.

36. ESCAP also took part in the response to Cyclone Nargis by working with ASEAN and undertaking impact assessments with the Government of Myanmar. ESCAP has gained considerable experience with regard to mitigating the impact of natural disasters. In late 2005, ESCAP established a regional multi-donor voluntary trust fund for early warning system arrangements in the Indian Ocean and Southeast Asia. This was in response to the need for effective regional disaster preparedness mechanisms in the aftermath of the Indian Ocean tsunami. The theme study for the sixty-second session of the Commission, held in 2006, was entitled, “Enhancing Regional Cooperation in Infrastructure Development including that Related to Disaster Management”. ESCAP has also implemented projects that deal with building community resilience to natural disasters through partnership and the sharing of experience and expertise in the region. The emphasis has been on matters such as early warning systems, livelihood development and psychosocial care, although food security has also been included as a vital issue contributing to well-being, productivity and social cohesion.

²⁴ Association of Southeast Asian Nations, *ASEAN ready to tackle soaring food prices* (30 April 2008), accessed from www.aseansec.org/21492.htm in July 2008.

III. INCLUSIVE SOCIAL POLICY AND SOCIAL PROTECTION INTERVENTIONS TO ENHANCE FOOD SECURITY

37. In order to manage the risks posed by food insecurity—as well as those related to natural disasters, energy security, unemployment and climate change—sound economic, social and environmental policies are needed at all levels. Social protection is important, as a number of factors which make people more vulnerable to energy security challenges and the effects of natural disasters and climate change also make them vulnerable to hunger and poverty. Different forms of food-related social protection exist or have been tried in countries with various political and economic systems. These include cash transfers, food aid, subsidies, school feeding or public works programmes. Some are targeted at communities, some at households and some at individuals. At the level of the individual, attention must be given to people who may not be physically able to work, such as older persons and persons with disabilities, as well as to children who may not be in school. Also, at the community and household level, food aid is typically distributed through a male identified as a head of household. The World Food Programme and many other organizations which distribute food aid now target women, as they know from years of experience throughout the world that food given to women is likely to reach those who are most needy.

38. It is important that social policy and social protection interventions aimed at enhancing food security take into consideration the forms that food insecurity takes and the relevant issues that surround it. Policies need to distinguish between episodes of acute food insecurity resulting from significant covariant shocks in the context of what is otherwise a positive development process and sudden increases in chronic food insecurity that may result from less severe covariant shocks in situations characterized by deteriorating natural, political or economic trends. Also, it is relevant to be aware of the unit of analysis, as assumptions such that national food availability guarantees individual access to food are persistent but wrong. Misconceptions often contribute to ineffectual policies; for instance, it may be the case that food shortages are due to imbalances between food supply and demand brought about by political and social inequalities rather than by population growth.²⁵

39. While food security may be considered at the household level, it cannot be disregarded that national and global trends have an impact and that factors within households, such as who has control over resources and who makes certain decisions, affect the food security of individuals within the household unit, particularly women and children.²⁶ Additionally, more needs to be done to develop accurate data and analysis, including that which is gender-disaggregated, at subnational, national, subregional and regional levels. This is important with regard to ensuring food security and addressing the needs of rural women, especially since, in Asia and the Pacific, the relevance of such

²⁵ Roger-Mark De Souza, John S. Williams and Frederick A.B. Meyerson, “Critical links: population, health and the environment”, *Population Bulletin*, vol. 58, No. 3, September 2003.

²⁶ Elizabeth Cromwell and Rachel Slater, *Food security and social protection*, paper produced for DFID (September 2004).

matters is still not widely understood.²⁷ Data and analysis are fundamental for effectively assessing vulnerabilities and diagnosing the most appropriate form of social protection, including the type and extent of targeting. Data and analysis allow the design, scope, and quality of existing programmes to be examined in order to determine which programmes are best suited to the channelling of additional resources to those most in need of assistance in the short run and where improvements or new programmes are required in the medium term.²⁸

40. As with many issues, policies that address food insecurity need to encompass social, economic and environmental dimensions in an integrated manner, for instance, taking social issues into consideration when creating economic policies. Moreover, multisectoral approaches that take into account subnational and national idiosyncrasies should be adopted. A full package of policy responses usually contains elements of at least the following components:²⁹

- Food price policy and market stabilization, through measures such as reducing tariffs or value-added taxes on food, introducing price subsidies, increasing or releasing grain reserves or imposing export bans or taxes
- The mitigation of poverty and negative long-term human capital impacts, through various transfers to help households adjust to higher price levels without compromising schooling and health care and through nutrition interventions to stem losses in nutritional status, especially for the very young
- The enhancement of domestic food production and marketing responses, through support for agricultural technology and its adoption, market access and diversification, land administration and management, irrigation and rural infrastructure, with efforts made to address the needs of both men and women
- Macroeconomic management, through the use of much less expensive and more controllable targeted interventions rather than universal price subsidies, the protection of the budgets of core health and education services, and an effort not to reverse the terms of trade between agricultural and non-agricultural sectors or rural and urban areas

41. Within macroeconomic policies, issues of equity can only be addressed by incorporating pro-poor strategies, controlling inflation and interest rates, stabilizing exchange rates and avoiding taxes that are damaging to agriculture. Issues of trade liberalization also need to be approached with caution, since the poor may become more vulnerable unless their needs are factored into strategies. Making agriculture socially and economically viable can help to tackle poverty, address food insecurity and enable farmers to benefit from higher food commodity prices. In this regard, strategies that seek to

²⁷ Food and Agriculture Organization of the United Nations, *Rural women and food security in Asia and the Pacific: Prospects and paradoxes*, Regional Office for Asia and the Pacific (Bangkok, 2005).

²⁸ World Bank, *Guidance for Responses from the Human Development Sectors to Rising Food Prices*, Human Development Network (21 June 2008), accessed from http://siteresources.worldbank.org/EXTSAFETYNETSANDTRANSFERS/Resources/HD_Response_Food_Prices.pdf?resourceurlname=HD_Response_Food_Prices.pdf in July 2008.

²⁹ Ibid.

revitalize agriculture may help connect the rural poor to cities and markets, improve service delivery to boost the health and education of the rural poor, diversify and commercialize agriculture to tap new markets and opportunities, increase investment in agricultural research and development and extension, create farmer- and women-friendly credit markets, introduce crop insurance to mitigate crop failures and price declines, revamp land policy for socially inclusive growth and promote social mobilization to influence agricultural policy. Related to such strategies are those which promote the development of the rural non-farm sector.³⁰

42. Social protection interventions need to consider the above issues, for if they are poorly planned, safety nets can actually have adverse effects. For instance, general food price subsidies are often regressive, distortive, expensive and difficult to eliminate.³¹ Food aid is likely to be appropriate only when dealing with transitory food insecurity, as it solely addresses food availability. Cash transfers may be more suitable to strengthening livelihoods over the longer term since they have greater fungibility than food aid and they do not necessitate a matching commitment of household resources such as labour. Hence, they could be appropriate for older persons, the infirm and persons with disabilities. Whether cash transfers are conditional or unconditional depends on the prevailing circumstances and the schemes already in place. When an emergency strikes, unconditional programmes are likely to be more appropriate for immediate responses since they are easier to establish and do not risk the potential error of excluding segments of the poor. Before programmes are developed, cost-effectiveness and equity issues can be improved by undertaking social expenditure reviews, including the analysis and prioritization of expenditures in different fields, such as social protection, health, education and housing.³²

43. For those who are able to work, food- or cash-for-work programmes could be a better option, as they strengthen entitlements through employment. If such programmes are already part of safety nets, they may easily be expanded. Public works schemes, which protect entitlements and build physical and social capital, can benefit from cash-for-work programmes. The World Bank tends to view programmes of this nature as rarely achieving coverage adequate to respond fully to food price increases as well as generally being a less efficient form of transfer than cash transfers.³³ Nevertheless, if they are well designed, they can provide vocational training and enhance the skill development of individuals while contributing to market and social infrastructure, for instance, through the construction and maintenance of roads, bridges and schools. For long-term development, it is essential

³⁰ ESCAP, *Economic and Social Survey of Asia and the Pacific 2008: Sustaining Growth and Sharing Prosperity* (United Nations publication, Sales No. E.08.II.F.7).

³¹ World Bank, *Guidance for Responses from the Human Development Sectors to Rising Food Prices*, Human Development Network (21 June 2008), accessed from http://siteresources.worldbank.org/EXTSAFETYNETSANDTRANSFERS/Resources/HD_Response_Food_Prices.pdf?resourceurlname=HD_Response_Food_Prices.pdf in July 2008.

³² F. Howell, "Social assistance: Project and program issues", in I. Ortiz, ed., *Social Protection in Asia and the Pacific* (Manila, Asian Development Bank, 2001).

³³ World Bank, *Guidance for Responses from the Human Development Sectors to Rising Food Prices*, Human Development Network (21 June 2008), accessed from http://siteresources.worldbank.org/EXTSAFETYNETSANDTRANSFERS/Resources/HD_Response_Food_Prices.pdf?resourceurlname=HD_Response_Food_Prices.pdf in July 2008.

that a market exist for the skills; otherwise, infrastructure outputs tend to create unproductive assets and fail to provide a springboard to food security.³⁴

44. The development of sound safety net systems which are suited to country contexts is important, since if they function well in normal times, they should help in response to increasing food prices. During crises, the scaling up of the assistance offered and the scope of safety nets is likely to be necessary; when the impact of the crises abates, so, too, will the need for such interventions. This points to the necessity of effective and efficient programmes informed by sound policies. Social health insurance, social pensions and disability and unemployment benefits which are accessible to both men and women can offer protection from vulnerabilities in various settings. What is important is making sure that the institutional framework is in place. This applies to a variety of sectors and issues, for instance, instituting a good surveillance system that would enable an effective response to an outbreak of avian influenza, which could threaten health not only directly, but also indirectly by pushing up the price of certain food items if poultry were to be culled.

45. The issue of targeting, whereby people who are particularly food insecure (such as the poor, older persons, children and many women) are identified and interventions are directed to them, is also significant. This is so because those most in need of assistance may not get it without targeting and also because the costs of untargeted programmes are likely to be greater than the cost of those that are targeted. The success of the targeting criteria, whether through self-selection, means testing or demographic characteristics, and the programmes chosen will depend largely on local and country contexts. Regardless of the system selected, it is important to have measures in place for effective governance, administration, infrastructure, monitoring and evaluation to ensure that those in need are actually the recipients of the interventions. This can take into account differences that exist within communities and households and help to prevent the socially excluded from losing out.

46. Overall, the effectiveness of social policy and social protection interventions in enhancing food security is dependent on various factors which are country specific. As with many issues in the social sector, political will is essential to protect the vulnerable and to establish interventions which fit within the general rubric of sustainable and equitable economic growth. Notwithstanding country specificity, policymakers can learn from the experiences of other countries, and regional cooperation may enhance efforts to attain food security.

IV. RESPONSE OF ESCAP TO THE FOOD PRICE CRISIS

47. In 2008, the theme study of the sixty-fourth session of the Economic and Social Commission for Asia and the Pacific was entitled, “Energy Security and Sustainable Development in Asia and the Pacific”, while the ESCAP *Economic and Social Survey of Asia and the Pacific 2008* was entitled, “Sustaining Growth and Sharing Prosperity”. In both documents, issues of food security and their

³⁴ Elizabeth Cromwell and Rachel Slater, *Food security and social protection*, paper produced for DIFID (September 2004).

policy implications were considered. The topic chosen by the Commission for the theme study for its sixty-fifth session, to be held in 2009, was sustainable agriculture and food security. For this theme study, the Commission will work closely with the Food and Agriculture Organization of the United Nations and other specialized agencies to raise awareness of the risks and vulnerabilities engendered by food insecurity and to propose ways to tackle the challenges faced in Asia and the Pacific by supporting regional cooperation and finding regional solutions.

48. In addition, ESCAP will continue to assist member countries in their policy responses to the current food crisis by undertaking research and policy analyses on issues that are pertinent, including inclusive social policy and social protection interventions. It will also act as a platform for reviewing good practices, holding consultations between members, sharing experiences and engaging in regional-level policy dialogue.

49. The Committee may wish to review the analysis and suggestions provided in the document and advise the secretariat on its further course of action to assist countries in the region in managing the risks posed by food insecurity through inclusive social policy and social protection interventions.

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