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Towards a World Food Policy Progress and Problems in Decision-making

The title of this paper implies that there is a world food policy and that we can measure progress towards reaching the goals of that policy. But while the nature of the world food problems is now fairly clear, as are many of the solutions, and a world food strategy was outlined at the World Food Conference in November 1974, the policies through which the goals of that strategy can be achieved are not well established. When the national implications of the policies required to achieve these goals become clear to decision-makers, their willingness to undertake them dwindles rapidly in the absence of well developed programmes to show how they can be achieved. For world food problems are the result of larger economic, social and political realities and not, as is too often suggested, simply the result of inadequate technology or resources.

The basic factors explaining the food problem have been analysed in great detail over the past few years – both in the early Sixties and again during 1972–74. There is a large measure of agreement that:

(a) unless food production is greatly increased in the developing countries those countries will face impossible food import requirements in the coming decade and even more impossible import requirements thereafter;

(b) the food "surpluses" experienced by the developed countries during the two decades leading up to 1972 were not only the result of productive capabilities but also of policies which in various ways supported food production or prices at levels above what would otherwise have been sustained;

(c) consumers with low incomes consume inadequate diets, largely dependent on cereals, starchy roots or other inferior food sources, while consumers with high incomes consume more food than would be required for an adequate diet;

(d) the nature of the elasticity of the demand for food and the unstable supply of food can lead, in the absence of stock policies, to dramatic price changes, both up and down, and that these changes if upward, will adversely affect the poorest consumers, and if downward will reduce the incentive to produce food; and

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(e) food aid has had both beneficial and detrimental effects on food production in developing countries.

If it is possible to agree on these general elements of the food problem, why is it that the policies that would be needed to bring about solutions to these problems have not come into effect.

I think that there are at least four reasons.

First, although serious studies may agree that the above are the essential problems, there are a number of issues which capture the attention of a great many people, and may deflect attention from problems which are less dramatic and may be much more intractable. Among these I would include the possibility of major weather changes, resource exhaustion, the fear that food demand may permanently outstrip supply and the concern that it may be necessary to determine who shall have food and who shall not. I do not suggest that these are not worthy concerns in themselves but they are not the most essential problems affecting food now or in the relatively predictable future.

Second, while there is widespread agreement about the essential problems and their solutions, these solutions have not been developed so that decision-makers can see how to bring them about within the context of their own economic, political and social realities. The Second Development Decade, the Indicative World Plan, the Strategy for International Agricultural Adjustment, the International Undertaking on World Food Security, and the studies and reports surrounding the World Food Conference, all point essentially to the same conclusions and they all embody the same proposals for action. But this has been about as far as things have gone. The fact that these strategies, plans and undertakings have been agreed to in principle, but have resulted in limited action suggests that while there is broad general agreement about what should be done, there is little practical agreement about how to do it, and especially who should make what decisions.

A third, and closely related explanation, is that in times of crisis there is widespread support for food-focussed policies. Food is seen to be "special" and in some way separate from other economic, social and political problems. As soon as the "crisis" has passed, however, these other considerations resume their dominant position and decisions affecting food are easily overshadowed.

A fourth factor is the existence of different socio-economic systems. No single world food policy will apply or be acceptable to all systems.

I would like to turn now to what I think is meant by a world food policy – the combination of policies that emerge out of the 22 Resolution of the World Food Conference – and consider the progress and problems that decision-makers have faced in implementing this strategy. Inevitably this will reflect much of the experience of the World Food Council, the institution set up by that Conference to oversee the implementation of its resolutions.

In essence the strategy which emerged from the World Food Conference had the following major elements.

First, it called for a major increase in food production in the developing countries. To achieve this, eight resolutions were adopted which were directly

relevant, dealing with agricultural inputs, research, seeds, soils, water and others. Among these, the most significant was Resolution XIII calling for the establishment of an International Fund for Agricultural Development (IFAD). All of these resolutions flowed from the recognition that, over the past two decades, food production in the developing countries was falling progressively behind demand and that, as a result, food imports by developing countries were rising sharply. Of all the decisions of the World Food Conference this one received the broadest agreement.

Second, it called for the development of a system of world food security which centred on the establishment of a cereals reserve to replace the grain surpluses that had offset previous shortfalls in production or shifts in trade but had been eliminated during 1972–73. The need for such a system was a recognition of the detrimental effects on food prices of shortfalls or surpluses in production when stocks were not available.

Third, it called for an improved system of food aid. This was in response to the abrupt reduction in food aid which took place in 1973 as a result of the absence of surpluses and high commercial demand for grain.

Fourth, it called for policies and programmes to improve nutrition in recognition of the widespread prevalence of mal- or undernutrition affecting an estimated 460 million people in developing countries.

Fifth, it called for changes involving international trade, stabilization and agricultural adjustment; and

Sixth, it set up a series of institutions to ensure that these resolutions were implemented. Overlaying this strategy was the Declaration on the Eradication of Hunger and Malnutrition which was adopted by the Conference. That declaration includes the statement that "society today already possesses sufficient resources, organizational ability and technology and hence the competence to achieve this "objective". This echoes the statement of the United States Secretary of State at the Conference that the world possesses the capability to ensure that within a decade "no child should go to bed hungry, no family should want for its daily bread".

1. WHAT PROGRESS HAS BEEN MADE SINCE THE WORLD FOOD CONFERENCE?

A critical analysis would have to conclude that progress toward the implementation of the world food policy outlined at the World Food Conference has been very slow. One positive achievement has been the recognition of the need to increase food production. This is reflected in the all-out efforts of the major food producing developed countries to expand production and the substantial increase in food production in many developing countries in 1975. How much of this can be attributed to the World Food Conference and how much to weather and the response to food shortages and high prices in 1973–4 is a matter of judgement.

Another positive achievement has been the creation of IFAD, the contributions to which are near the one billion dollar target and the agreement to which was signed by participating countries in June.

Progress on the other resolutions, especially the crucial ones dealing with food security, food aid and nutrition, has been extremely limited, however. At the present time grain stocks are emerging or are likely to emerge only where unexpected surpluses arise. Food aid has gradually increased to over 9 million tons, but major efforts to restructure such aid have not been undertaken. Favourable improvements in nutrition have come about, if indeed they have, only because of lower food prices and more plentiful supplies. Developments in food trade are, at best, the reflection of slow progress in trade negotiations in general.

If the World Food Conference created the essentials of a world strategy which was broadly agreed to, why have the policy decisions which should have emerged been so slow in coming. An easy answer would be that decision-makers lack the will to make the policy decisions that would be needed or that they have become preoccupied with other matters. To a certain extent this is true, but a more important explanation is that most countries can identify with and support these objectives in principle, but in practice they imply profound decisions involving the internal policies of developed and developing countries alike. In the absence of a new crisis which can be used as a wedge to force changes in policies, substantial progress toward a world food policy cannot be expected until the feasibility of such a policy is much better demonstrated and until the political compromises needed can be reached.

It might be instructive to consider how action has progressed on the major elements of the World Food Conference strategy and in that way appraise the problems and progress of decision-makers.

2. INCREASING FOOD PRODUCTION IN THE DEVELOPING COUNTRIES

To achieve the major increase in food production in developing countries the Conference called on all countries to give a high priority to food production and to increase the resources devoted to food production within developing countries and in the form of external assistance. This objective was reinforced by the creation of the World Food Council which has given its highest priority to bringing such increases about and by the creation of the Consultative Group on Food Production and Investment in developing countries (CGFPI) whose job it is to stimulate an increase in the flow of external resources for food production and their better direction.

At the World Food Conference it was relatively easy to agree that there was a need to overcome a projected deficit of 85 to 100 million tons of cereals in the developing countries by 1985. But these agencies concerned have found it a far more complex matter to ensure that production increases take place where they are most needed. This presumes the determination of priorities which immediately raise issues of serious concern to recipient and donor countries alike. It also brings one face to face with the problem of determining the kinds of policy changes that a country, or others, may need to make, in order to stimulate production in a given country. Choosing among competing wants in the allocation of resources may be a familiar problem to the

economist, but it is not a comfortable subject for the politician or international diplomat. And the internal policies of every country are strongly defended as matters of exclusive concern to that country.

Another problem that emerges is that there is a surprising absence of firm, agreed information about how individual developing countries can increase their food production. Determining by extrapolations of past trends or other aggregative methods that there will be a food deficit of a given magnitude in a given country is of little help in demonstrating how and at what costs that deficit could be overcome in a decade.

The World Food Council proposed at its second session in June 1976 that a special effort be launched to determine just how and at what cost food production could be increased in those countries which appear to have the most severe present, or expected, food problems and also appear to have the least nearly adequate resource endowment to achieve the necessary increases. Combined with this effort, which would be initiated by the countries themselves in cooperation with one or more of the international agencies, would also be a determination of the policy issues and changes that might be involved. At best this will not be an easy task.

These problems reflect the fact that there is a big step between the generalization that production increases are needed in the developing countries to the stage of determining – in sufficient detail to gain the support of the country itself, international agencies and donor countries – just what needs to be done and who is to do it. But this step is crucial if we are to move from anxiety and recrimination to positive and effective action.

3. WORLD FOOD SECURITY AND GRAIN RESERVES

While there may be general agreement that a system of world food security including grain reserves is necessary, the stage for discussion has shifted from the anxiety of the World Food Conference to negotiations at the International Wheat Council, the Committee on World Food Security, GATT and UNCTAD. In these negotiations, the anxiety over the precarious condition of a world without grain reserves is overshadowed by the trade and other policy concerns of grain exporting and importing countries. These are issues about which decision-makers are aware on a daily basis. While their constituants may share a general concern for the existence of food reserves, they also have other and maybe conflicting concerns with other aspects of these negotiations.

The World Food Council at its second session advanced for consideration by these negotiating bodies a compromise proposal which combined elements of a grain reserve, food aid and emergency food assistance, but it is apparent that achieving a workable compromise among the various national interests will be a difficult matter.

4. FOOD AID

The World Food Conference called for the return to a minimum annual level of 10 million tons of food aid on a three year forward planning basis as well

as other substantial changes in food aid policies and programmes. While there has been a gradual growth of food aid to over 9 million tons, there are very significant disagreements among governments over the usefulness of food aid. Governments who provided such aid in the past are reluctant to do so at previous levels when the demand for grain is high and surpluses no longer exist. Similarly there is a recognition of the adverse effects food aid may have had on food production efforts in the past and many governments are reluctant again to contribute to such results. Moreover, changes in food aid policies and programmes immediately involve issues of internal policies in recipient and donor countries which are not easily resolved.

5. NUTRITION AND THE ERADICATION OF HUNGER AND MALNUTRITION

Progress in nutrition within the context of the objectives of the World Food Conference has yet to be tackled in a serious way and there has been a tendency to treat the objective of eradicating hunger and malnutrition as at best a necessary humanitarian goal but of little practical significance as a programme to be seriously undertaken.

6. CONCLUSIONS

The World Food Conference is too close and the institutions it created too new to draw any hard and fast conclusions about their effectiveness in overcoming the world's food problems. But it does seem that enough time has elapsed to draw certain important conclusions.

If the objective is to develop a world food policy that will in fact eliminate or greatly ameliorate the major food problems which are now apparent and will, in a decade, achieve the aspirations of the Declaration on the Eradication of Hunger and Malnutrition, then additional steps are needed. Among them:

(a) Food will have to be elevated to a position in international affairs where governments are willing to take policy decisions affecting food which they might not be willing to take for other economic problems.

(b) If hunger and malnutrition are to be eradicated or greatly reduced within a decade this will involve some measure of income and food redistribution in addition to the best efforts to increase food production.

(c) If effective policies are to be developed to increase food production, to develop a system of world food security, and to improve the usefulness of food aid, much more effort will have to be devoted to developing policies that can be accommodated within the existing economic, social and political realities of the multiplicity of nations which will have to agree to these policies. This will require a willingness to compromise in favour of food and malnourished people and these compromises are likely only when there is the conviction that the desired result will be achieved.

The long series of events which culminated in the World Food Conference, not just the events of 1972–74, but the many conferences that preceded it,

and the general agreement with the aspirations enunciated in the resolutions adopted by that Conference, suggest that there is a serious international desire to take these additional steps. They must be taken because the resolutions of the World Food Conference only tell us where we think we should be, we must still work out how we are going to get there.

Report of the general discussion

Part of the discussion, in effect, reflected doubts about the effectiveness of the kind of international action proposed by the World Food Conference. It took the form, on the one hand, of uneasiness that creation of further international agencies invited overlapping and doubts whether an International Fund for Agricultural Development would put more resources to use than would the present agencies. On the other, the usefulness of alternative approaches was emphasized and contributions ranged over the scope for farmers' organisations to influence policy; the assertion that, without international action, food production had been promoted by farmers' efforts, by the investment of the agribusiness sector and research agencies and the technical assistance activities of charitable agencies and national governments.

Attention was also drawn to the slight attention given in the paper to features of the New International Economic Order considering the importance of some of its features in helping low income countries to solve their food problems.

Another group of comments urged closer scrutiny of issues than the paper afforded. More precise indications were sought about the quantities of food needed to achieve specified stabilization objectives; the decision methods and operating procedures for an international stabilization agency; the decision methods for national buffer stock holdings; the costs of such schemes and the development which might be promoted with the money which they would undoubtedly absorb and the success of the world crop surveillance scheme which the World Food Conference entrusted to the World Meteorological Organization (Geneva) and FAO (Rome).

Finally, the need to treat food and population problems as a single whole was stressed.

Participants in the discussion included: J. H. Dalton, *Ethiopia*; G. von der Goltz, *Kenya*; D. Paarlberg, *U.S.A.*; K. Prasad, *India*; G. Schmidt, *Fed. Rep. of Germany*; M. J. Schultheis, *Tanzania*; D. Tomic, *Yugoslavia*; H. C. Trelogan, *U.S.A.*; N. C. Westermark, *Finland*.

H. E. Walters (in reply)

Regarding the justification for creating new administrative machinery, I should emphasize that in mid-1976 the World Food Council staff consisted of about four people struggling to prepare for the meeting of the ministers.

The new institutions are not large institutions and are not designed to be. Duplication does not therefore arise. Some of the ministers will be ministers of agriculture, others of planning, of finance, of foreign affairs. Food is larger than FAO, than the World Bank, than UNICEF. Moreover, the world food problem is a national government problem; and it is also an international agency problem with a great many elements. It was felt that a World Council was needed to provide a place where ministers with responsibilities bearing on food – but not necessarily involved in food – could fight through towards decisions. Experience suggests that it will be quite a long time before highly desirable solutions are achieved. Whether the World Food Council will, or should, succeed is up to governments, but, for the reasons given, I think it should. Meaningful large scale international decisions will not be made until they are approached like this.

With respect to buffer stocks, following in the pattern of what the World Food Council was supposed to do, many of these questions are to be left to other people. The World Food Council is charged with trying to sort out the political issues. Responsibility for many matters concerned with buffer stocks lies elsewhere.

At its meeting in June the World Food Council did consider a set of proposals for its Secretariat which, while not an ideal solution to the world's food security problem, were considered to be a compromise that governments might be willing to agree to now, in lieu of working out a sounder and more satisfactory solution through other agencies. The proposals for the size of the buffer stock range, as far as I know, from the levels of ten to 12 million tons up to international stocks of 60 million tons or so. We proposed a buffer stock in the neighbourhood of about 20 to 25 million tons operated on an international level, in a way somewhat similar to the one discussed yesterday here at the meeting on models. It would dampen the tendency for prices to go to extreme levels in either direction. This proposal was combined with other aspects of a world food security system so that there would be at least a floor in terms of emergency relief, food aid and buffer stocks. It was very clear at the Council meeting that a major gulf separates those who think of a reserve as a physical pile of grain against a crisis and those who see a reserve in larger terms. For the former it is hard to understand why it cannot simply be decided to have a large pile of grain somewhere. Those who have experienced the effect of a large grain stock on the world food situation in the last twenty years, are concerned that the existence of surpluses of grain, as such is not a desirable thing in itself and can have adverse effects on production and distribution of food.

FAO, within its present arrangements, is doing a number of specific studies in specific countries with respect to desirable sizes of reserves and their costs. Certainly the World Food Council and other institutions might be in a position to acquire additional funds for those purposes if a convincing argument can be made for them.

In principle, the International Fund for Agricultural Development was to be set up to accumulate additional funds for increasing food production.

I think it is clear that the initial contributions to that fund are additional in most cases but it is the next time around where the concerns I was mentioning in the paper come into play. Governments will have to have food still very high on their priorities list and see to it that they are not shuffling funds from one place to another. The International Fund for Agricultural Development is being set up as essentially a place where funds are accummulated and where the major decisions on their use will be made. But the Fund itself will rely on the existing institutions for the basic implementation and working out of the kinds of projects it intends to support.

Briefly, about the current surveillance of crop prospects and developments, FAO has made a number of improvements in the early-warning system and its general surveillance. Most people seem to feel that there is a better balanced set of perceptions on the issue than there was a few years ago.

I do not think we can create a long-term Scientific World Food Policy – in fact, I am not even sure that is the issue. The need for increased food production, for food security and improvement in nutrition – all these are, in a sense, marginal issues. As I think Dr. Paarlberg put it once a long time ago "one of the problems of food is that a little too much is a lot too much and little too little is a great deal too little". The efforts that will be needed to raise the levels of production and improve consumption patterns involve a complex mass of changing political and social decisions in a number of countries. It is my feeling that the need is for a mechanism for constantly raising these issues when these adjustments get out of line, and constantly reminding people of what they need to do and, hopefully, being able to convince them of how they can do it. In the long run it is not a Scientific World Food Policy that will last for ever that we are searching for but a mechanism that will bring us face to face with the problems we need to solve, two, three or five years before they become problems that we are not in a position to solve right then.

I can only agree that the population problem is an important aspect. However, I have been concerned with the solution of problems that face us in the next five to ten years and we cannot do much to change the population effect on the demand for food in that period. I am in whole-hearted agreement with those who argue that we need to find not a proper balance between population and food, but we need to find a proper balance between population and the way of life that people would like to have. Food is a part of that. So are medicine, education, housing and so on.