

Hunger and Food Security

On 20 February SARPN hosted a discussion on the hunger crisis in Southern Africa. Francis Ng'ambi of the Malawi Economic Justice Network spoke on the *Causes and Consequences of the Crisis in Malawi and the Role of Civil Society* while Mike Sackett, Deputy Regional Director for Southern Africa at the World Food Programme spoke on the topic *Catastrophe Averted but Crisis Continues*. This was followed by a round table discussion.

Causes and Consequences of the Crisis in Malawi and the Role of Civil Society

Francis Ng'ambi, Malawi Economic Justice Network

The Constitution of Malawi states:

The State shall take all necessary measures for the realization of the right to development. Such measures shall include, amongst others, equality of opportunity for all in their access to basic resources, education, health services, food, shelter, employment and infrastructure ...

Malawi is in the grip of a severe food shortage. This crisis is not only due to floods that caused a one third harvest, but also to serious policy blunders on the part of donors, led by the IMF and World Bank, and to government corruption.

Determining the causes

Droughts and floods occur regularly in Malawi without resulting in the severe food shortages experienced in 2002. This suggests that there is a more serious issue in the agricultural sector. Research into the causes of the crisis in Malawi points to policies imposed by the IMF and World Bank. These policies have disempowered Malawians, leaving households without enough money to buy farming inputs or food on the market. A report by Action Aid identifies a number of reasons for the famine. They include:

- Cut backs by donors in subsidies for farm inputs
- Resistance to switching from maize to other staples such as potatoes or cassava
- Advice from the IMF to the government of Malawi to sell its grain reserves
- The failure of the media to alert the government to the impending disaster in time for it and the donors to avert the hunger and
- The privatisation of ADMARC, the Malawian grain board.

The report argues that it is the combination of all these factors, rather than any single cause that led to the food shortage. A USAID report identifies low production in the 2001/2 season and the declining household economy, which means that people do not have enough money to buy food or farming inputs.

The hunger crisis is not only due to the floods but also to policy blunders and corruption

Economic status of Malawi

Malawi's economy is based on rain-fed agriculture, making it susceptible to erratic climatic conditions. The agricultural sector contributes about 41 per cent of GDP and employs more than 85 per cent of the total labour force making it a vital resource for the economic progress of the country. Agriculture accounts for about 90 per cent of total export earnings with tobacco the major export earner. With the anti-smoking lobby growing rapidly, Malawi will be in serious trouble unless it can find alternatives in the next five years. Other export crops are tea and sugar. While commercial farmers produce most of the export crops, subsistence farmers grow most of the maize, Malawi's staple food crop.

Under the structural adjustment programme (SAP) the IMF and World Bank advised the government to stop all subsidies on farm inputs, making them unaffordable for most smallholder farmers who live on one dollar a day or less. At the same time the privatisation of ADMARC meant that there was no longer a controlled price for farm produce. These policies have made it progressively more difficult to meet Malawi's food requirements.

Over 60 percent of people in Malawi live below the poverty line of US\$ 1 per day. Twenty percent of the adult population is HIV positive. Gross Domestic Product (GDP) per capita in 1999 stood at US\$ 160, down from US\$200 in 1997. Unemployment is quite high, wages and salaries are very low, and people often rely on piecework, *ganyu*, which fetches very little money, to meet their daily needs.

Over reliance on rain-fed agriculture makes the country's economy very vulnerable to world market fluctuations. Since 1995, Malawi's trade balance has been in deficit, with the export value of tobacco and tea generally in decline.

Policies introduced under the SAP made it progressively more difficult for subsistence farmers to meet Malawi's food requirements

Malawi's food requirements

With a population of 12 million, Malawi needs nearly 2 million metric tons of grain a year. The 2001 growing season produced slightly less than 1.4 million metric tons (MT), leaving a shortfall of about 600 000 MT. Fewsnet incorrectly predicted a bumper yield and as a result donors did not expect that Malawi would need more food.

Structural adjustment in the agricultural sector

Before the IMF and World Bank introduced structural adjustment policies in Malawi's agricultural sector in the early 1980s subsistence farmers were heavily subsidised by government for farm inputs like fertilisers and pesticides. ADMARC ensured that farm inputs were available when needed at stable and affordable prices and provided a market for produce even in the remotest parts of the country. Government was able to recoup some of the costs of the subsidies to subsistence farmers through ADMARC's commercial subsidiaries, which grew cash crops. When it sold off these subsidiaries as part of the privatisation programme it no longer had this source of income to offset the cost of subsidies.

The structural adjustment programmes in the agricultural sector aimed to cut public spending and improve the government's economic standing by:

- Removing subsidies on farm inputs

- Deregulating prices on farm inputs and produce
- Removing the ban on growing cash crops
- Privatising the grain board, ADMARC
- Closing those ADMARC markets deemed unprofitable.

Profiteering

The liberalisation of the market in Malawi has seen the emergence of unscrupulous traders who have taken advantage of the hunger crisis to make money. This also influenced the corruption that took place at the National Food Reserve Agency (NFRA). The IMF advised the NFRA to sell off about 100 000 MT of its reserves to pay off a loan to ABSA, a South African bank. This would have left it with a buffer stock of about 60 000 MT. However, the government took advantage of the opportunity to make money and sold off the entire maize to private traders with a few tons going to Kenya and Mozambique. As a result there were no reserves to meet the shortage. Donors were reluctant to provide food aid until they had received an explanation of the decision to sell the entire reserve and an account of what had happened to the income from the sale. The private traders hoarded the maize for resale at a higher price once the hunger struck. In December and January they began selling it at prices as high as 40 Malawian Kwacha (MK) per kilogram, up from MK 4 in June 2001. Many people were unable to afford these prices and had to resort to eating roots and banana stems.

Traders and government officials took advantage of market liberalisation to sell off the country's entire grain reserve

Thousands of people died as result of this profiteering and the initial donor reluctance to provide food aid until they had received an explanation of what had happened with the food reserve. Donors only began to supply food after civil society organisations like the Malawi Economic Justice Network conducted research and reported on how bad the situation was on the ground. The government of Malawi was also slow to respond, only announcing in February 2002 that the country needed food aid to deal with the hunger.

Learning the lessons

- Malawi has a huge foreign debt of about US\$ 2.6 billion that it owes to IMF, World Bank and other bilateral donors. About 30 percent of the annual budget goes on debt service. Injecting this amount in to agriculture would boost the sector. Malawi cannot earn enough foreign exchange to pay off this debt and develop the country at the same time. It needs total cancellation of the debt if it is to develop. The usual response to calls for debt cancellation is that government corruption leaves no guarantee that the money will be used to develop the country. Meantime poor people on the ground continue to suffer.
- The government of Malawi should be given the power and mandate to determine how much food is needed in the country and all other stakeholders should assist it to realise this goal.
- Fewsnet needs to give adequate and accurate information that the donor community and government can use to determine food needs. What happened last year, when inaccurate information was provided should not happen again.
- Malawi's agricultural policy should be changed to address the core problems of rural poverty, the escalating HIV/Aids pandemic and the plight of women in the country. About 20 percent of Malawi's adult population is HIV positive. The current hunger crisis means that these people are

not well fed and they will die faster than if there was enough food. There are gender related social and cultural issues in the country that have never been addressed.

- Floods and droughts will occur regularly across the country. If Malawi continues to depend on food aid, which is only a short-term solution, it will inevitably face donor fatigue at some time in the future. The government needs to come up with an agricultural policy that will ensure that people can produce enough food for the country.
 - The National Food Reserve Agency needs to be adequately capitalised so that it has the funds to operate. At the same time its operations need to be transparent and accountable and subject to regular audit. The sale of all the food reserves last year happened because the NFRA was not transparent and accountable to the people of Malawi.
 - Civil society requests the donor community to respond rapidly when there is a crisis. Although it was right to demand an explanation of what happened with the food reserve from government, refusing to give food aid until that explanation was given resulted in people dying. Civil society is grateful to World Food Programme and other donors for the food aid they have given to the people. This has gone a long way towards averting the problem, but more food will be needed in the coming months.
 - Government and donors should always involve civil society in policy development because civil society is in touch with the people on the ground. Most of the time civil society is left out when policies are being made because it is seen as too political.
 - The donor community should not continue to force the government to completely privatise the grain board, ADMARC. ADMARC plays both a commercial and a social role in Malawi. The social role is to ensure that food is available throughout the country. Civil society acknowledges the need to improve ADMARC's management and efficiency, but its social role should not be privatised and become subject to the need to make a profit. With over 60 percent of the people in Malawi living in poverty there is no way that they will be able to buy from ADMARC if it is completely commercialised.
 - In summary, many factors have contributed to the hunger crisis in Malawi but the major one has been the economic policies that seem to be applied across many countries. The one-size-fits-all approach adopted by the IMF towards countries like Tanzania, Mozambique and Malawi will not work. There need to be specific studies on how policies will affect Malawi and other countries.
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Catastrophe Averted but Crisis Continues

Mike Sackett, World Food Programme

WFP is a UN agency that relies completely on voluntary contributions from donors concerned to alleviate hunger. WFP aims to be the first UN agency to withdraw from a country and globally there are about 50 countries that could be termed graduates of food aid. In the SADC region, Botswana, Namibia, Swaziland and Zimbabwe are examples of countries from which WFP has withdrawn over the last decade. Sadly it is now back in Zimbabwe and Swaziland because of the effects of the current food crisis.

Causes of the Crisis

The number in need in the region has risen from just over 7 million in the six countries – Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe – in July 2002 to a staggering 15.1 million now, just before the 2003 harvest. Last year WFP saw itself as dealing with a drought crisis but it now sees the situation very differently. While there have been erratic weather conditions, over the last twelve months WFP has factored in other reasons for the current crisis including:

- Economic decline
- Problematic government policies
- Chronic and extreme poverty leading to malnutrition and
- The HIV/Aids pandemic, which is perhaps the fundamental underlying cause.

Over the last nine months the actions of the international community appear to have averted a major crisis. WFP has delivered hundreds of thousands of tons of food and prevented the most vulnerable people from dying. More importantly the intervention has helped to preserve the livelihoods of millions of people.

Assessing needs

The key to the whole operation has been assessing how many people are most in need and where these people are. This has initially been accomplished through a Food and Crop Assessment, followed by a series of rolling, regional assessments, which have provided an up-to-date and accurate picture of the prevailing situation on the ground. In conducting these assessments the WFP works in partnership with other organisations including SADC and FAO, NGO partners and other knowledgeable parties and, of course, governments. It is still refining the assessment process, which requires a slightly different approach in each situation. At the moment WFP is undertaking a crop evaluation of the six countries. This will lead to a detailed analysis in April / May, done with FAO, that will give a good understanding of what this year's harvest will deliver and what the food supply situation will be in the six countries over the next twelve months.

The key to the whole operation has been assessing how many people are most in need and where these people are

WFP's operations

Food aid is peaking in the pre harvest period and WFP will deliver around 300 000 tons from February to March 2003. This compares with about 360 000 tons delivered in the period June 2002 to January 2003. Once the harvest is in, WFP will significantly reduce food distribution in at least five of the six countries. The exception is Zimbabwe where the reduction will not be nearly as large because of the particular situation there.

WFP's operations have been able to stabilise the food situation in the region because of generous contribution from 40 or 50 donor sources, including four from the African continent. Algeria has provided a significant contribution of rice, Eritrea and Cameroon have made contributions and recently the South African government made a large contribution, which WFP sees as a good example of regional cooperation. Overall it has received about 72 percent of the resources needed through to June. WFP works in partnership with NGOs and other UN agencies to distribute food aid. Currently it is working with 50 NGO partners in the six countries, about half of them international NGOs and half national NGOs. In addition WFP works with FAO on providing agricultural inputs such as seed packs and with WHO and UNAIDS.

Governments in all six affected countries were quick to realise the gravity of the situation and, on the whole have played a constructive role in trying to ease the crisis. The government of South

Africa has played a key role – facilitating the milling and transportation of aid, as well as donating the funds to purchase 100 000 tons of maize.

The operations have many logistic complexities. WFP buys food in the regions when it has the cash resources and it is cost effective to do so. It also imports food from the countries that provide food in kind. It uses ports all around the region and moves food using rail and road links, making use of all the options available. Paradoxically, although this is a drought emergency, WFP has had to deal with cyclonic rainfall conditions in the northern part of the region. In the last five weeks it has repaired the rail line from Nacala that goes inland to Malawi.

The crisis is not over

The assessment currently being undertaken clearly indicates that crop prospects, especially in the northern part of the region are better than they were a year ago. Nevertheless, many of the wider factors that WFP now understands are involved will not go away. The structural poverty is still there, the policy environment will still act as a constraint in a number of countries and most significantly HIV/Aids prevalence and its affects on poor households and on women are still particularly severe.

Many of the wider factors involved in the hunger crisis such as structural poverty, poor policies and high HIV/Aids prevalence will not go away

Three countries in the region have HIV/Aids adult prevalence rates of over 30 percent. HIV/Aids is killing the most productive members of society – young adults. This is resulting in large numbers of children who are in the care of grandparents or siblings. It is also a factor at the institutional level where government departments, commercial operators, railway companies and port operators are losing people to HIV/Aids. This is the backdrop to a new response from the UN system, which is looking at ways to replace the people lost to HIV/Aids through a volunteer programme. The problem of HIV/Aids, especially in Southern Africa, is very much on the UN agenda with the Secretary General’s special envoy, Stephen Lewis, visiting the region twice in the last twelve months.

The immediate challenge for WFP is to get enough food into needy households before the harvest. After this the general level of distributions will ease off and the focus will shift to targeting the most vulnerable households. This means putting in a smaller quantity of food much more selectively. The current operational plan runs to the end of June. The plan for the next twelve months is being drawn up. It will particularly have to meet the challenges of chronic poverty and HIV affected households even in countries with relatively favourable outcomes. Food aid is often described as a short term intervention and this is true in many situations. However, WFPs activities in this region do focus on longer term impacts. In particular it is looking at ways to support primary education through school feeding programmes and take home ration programmes. These aim to attract primary school pupils to school and to keep them in school so that they do not become part of the large drop out population, which is often the result of economic circumstances. This is an area that WFP has worked on since its inception forty years ago and which it still sees as a particular role for food aid.

Discussion

The chairperson, Richard Humphries of SARPN, kicked off the discussion by identifying five issues:

- Chronic poverty in the region
- The difficult policy environment at national, regional and international level
- The impact of HIV and gender
- Changes in the UN agencies' understanding of the situation
- The impact of trade.

Mike Sackett (MS). Trade did not feature in the WFP presentation because it focused on the relief effort. There are valid areas such as trade that the WFP cannot respond to in its work.

From the floor (FTF). Southern Africa has a colonial legacy of supply side measures. We need to look at measures to create local demand. One of the problems is that people do not have money. One response to this is the call in South Africa for a basic income grant (BIG). Other responses could include investment in schooling, and grants to local government or to community structures that could be used for investment in infrastructure or local production.

Most donors prefer to give food through food-for-work programmes. These programmes have had limited success in Southern Africa and given the impact of HIV/Aids this is likely to continue.

Francis Ng'ambi (FN). One cause of hunger in Malawi is that people no longer have their own seed. The entry of international food companies into local markets has led to price increases in farm inputs. Cash crop production, mostly by foreign corporations, has taken land from food production. This needs to change to ensure enough food is produced.

MS. As far as possible the WFP tries to purchase food aid in country. It recognises that the best way to give assistance is to put cash into the local economy rather than food, but it is difficult to get donors to give cash.

FTF. What is the WFP's position on genetically modified organism (GMO) food and how did it deal with attempts by political parties to manipulate food distribution? Some of the GMO food refused by Zambia was redirected to Malawi. It is unclear whether it was milled before distribution.

MS. The GMO debate has been resolved. Only Zambia has placed a complete ban on the distribution of GMO food. Elsewhere the main concern was that it would be planted and this has been dealt with by milling the grain before distribution. WFP itself adopts a neutral position on GMO food as long as the donor country certifies it as safe and the recipient will accept it.

Political manipulation of food aid is an issue in all countries. The degree of manipulation in Zimbabwe has attracted attention. WFP responds by identifying beneficiaries and trying to ensure that they get food. Where there is severe abuse it will suspend distribution. At present it still has about 30 000 tons of yellow maize in Durban. This will all be milled in Durban or Bulawayo before it is distributed.

FN. There are concerns in Malawi that not all the GMO food aid has been milled and that some GMO seed has been planted. This needs to be checked.

FTF. Vulnerability factors are complex. WFP is looking essentially at disaster management, not disaster risk reduction. Risk reduction requires more integrated development support that addresses environmental, political and socio-economic factors.

How are the recommendations in the Morris/Lewis report being taken up? (James T Morris and Stephen Lewis, *Mission Report: Lesotho, Malawi, Zambia and Zimbabwe, 22-29 January 2003*, February 2003, United Nations, Rome)

MS. At present the WFP is focusing on saving lives in the crisis. In the longer term we need to look at how countries can prepare for droughts and floods and not walk away after the crisis. This includes looking at gender issues. In Africa 58 percent of those infected with HIV/Aids are women as opposed to 50 percent globally.

FTF. To what extent does WFP work with SADC?

MS. It works both at country level and with the SADC headquarters. There is considerable cooperation on vulnerability assessments.

FTF. South Africa's new government has stopped supporting small farmers. This is also happening in Malawi. Countries in the region need to look at the model in India where the government intervenes to maintain a floor price.

Is crop diversification being encouraged? In Tanzania it has helped to reduce food shortages. There seems to be a communication problem in SADC that limits the sharing of experiences.

What is the position on integrated rural development?

What is the situation in Angola?

MS. WFP has a big programme in Angola that is run separately although many of the same issues apply.

South Africa has seen a steep drop in market prices following news of a good harvest. This is evidence of a healthy market situation.

FN. NGOs, donors and the government in Malawi are trying to promote tubers and root crops. But this will take time. The previous government promoted maize and discouraged diversification. At present there are initiatives to get rootstock from Tanzania and Nigeria.

MS. The main benefit of root crops, especially cassava, is drought resistance. Root crops are more problematic to get to market because they contain a high percentage of water and are heavy. They are also perishable and do not store well making them unsuitable for food aid.

FTF. We need to look at what people are doing locally. There is a lot of talk about globalisation but nothing about localisation.

The UN volunteer programme needs to look at what people are already doing before it starts creating parallel structures.

We need to look at lessons learned from the experience of UN agencies and NGOs.

What is the extent of cross border trade in food?

FN. People come into Malawi from Tanzania to buy rice. This can create problems by exhausting stocks so that there is not enough for local consumption.

Donors and civil society need to come together to monitor food distribution and ensure that it goes to those who cannot afford to buy food. The maize trade also needs to be transparent. Most of the government officials involved in corruption when the food reserve was sold have been prosecuted.

A good early warning system and good agricultural policies are essential.

Trade agreements tie countries down and provide few benefits. For example under the United States' Africa Growth and Opportunity Act (AGOA) Malawi is being encouraged to produce textiles. But there is no local textile industry so people are buying textiles and then reselling them as their own products. It would be better if it provided markets for Malawian tobacco.

MS. The volunteer programme is seen as a pragmatic response to prevent societal breakdown.

One of the things we have learnt is that HIV/Aids infected women need nutritious food to counteract the stresses of breastfeeding. Eleven percent of HIV/Aids infected women in Zambia who are breastfeeding have died against 3 percent of women who are bottle feeding.

Another lesson is that hunger is both a cause and consequence of HIV/Aids.

FTF. What is the involvement of civil society in policy making?

What is Nepad's position on the food crisis?

FN. Malawi is forming a tripartite group of government, civil society and donors to discuss and monitor food security initiatives.

The countries involved in Nepad are very diverse. Malawi cannot adopt the same policies as South Africa. Many see Nepad as simply a vehicle for neoliberal policies.

MS. WFP experience is that food programmes are more successful where there is full involvement of local organisations, particularly the most vulnerable. This is especially the case where women are involved.

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