Overcoming Global Hunger

Ismail Serageldin, President
Pierre Lardelli-Mills, Editor

A conference sponsored by the World Bank and held at
The American University of Cairo, Egypt.
November 30–December 1.
Environmentally Sustainable Development Series Titles

Proceedings Series:

Culture and Development: Proceedings of an International Conference  
ESD Proceedings Series no. 1 (1994) (Also in French)

Valuing the Environment: Proceedings of the First Annual International Conference on Environmentally Sustainable Development  
ESD Proceedings Series no. 2 (1994)

Overcoming Global Hunger: Proceedings of a Conference on Actions to Reduce Hunger Worldwide  
ESD Proceedings Series no. 3 (1994)

ESD Proceedings Series no. 4 (Forthcoming)

The Human Face of the Urban Environment: Proceedings of the Second Annual World Bank Conference on Environmentally Sustainable Development  
ESD Proceedings Series no. 5 (Forthcoming)

Studies and Monographs (formerly Occasional Paper) Series:

The Contribution of People's Participation: Evidence from 121 Rural Water Supply Projects  
ESD Occasional Paper Series no. 1 (Forthcoming)

Making Development Sustainable: From Concepts to Action  
ESD Occasional Paper Series no. 2 (1994)

ESD Studies and Monographs Series no. 3 (1994)

The World Bank's Strategy for Reducing Poverty and Hunger  
ESD Studies and Monographs Series no. 4 (1995)
Overcoming Global Hunger

Ismail Serageldin
Pierre Landell-Mills, Editors

Proceedings of a Conference on Actions to Reduce Hunger Worldwide
hosted by The World Bank and held at The American University, Washington, D.C.
November 30–December 1, 1993
Contents

Foreword v
Acknowledgments vi
Contributors vii
Acronyms and Abbreviations ix

Introduction 1

Session 1: Global Challenge
Welcoming Remarks Elliott Milstein 5
Partnership to Fight Hunger Lewis T. Preston 6
A Vision for a Hunger-Free Partnership Tony P. Hall 8
Participation of Nongovernmental Organizations Carolyn Long 10
Nothing Grows from the Top Down Atherton Martin 11
Conference Themes Ismail Serageldin 15

Session 2: Macroeconomic Reform: Its Impact on Poverty and Hunger
Edward V. K. Jaycox, Chair
Macroeconomic Reform: Its Impact on Poverty and Hunger Nancy Birdsall 21
Discussant Remarks Carlos Heredia 28
Workshop Spokesperson Remarks Shafika Nasser 31
Nancy Alexander 32

Floor Discussion 34

Special Address: The Scope for Public Action to Reduce Chronic Hunger
Ketumile Masire 39

Session 3: Targeted Interventions: What Works Best to Reduce Hunger
Caio Koch-Weser, Chair
Targeted Interventions: What Works Best to Reduce Hunger Fawzi Al-Sultan 45
Discussant Remarks Ruth Bamela Engo-Tjega 49
Catherine Bertini 51
Workshop Spokesperson Remarks Christopher Dunford 53
Mildred Robbins-Leet 56

Floor Discussion 58
Session 4: Lessons of Experience
Joseph Wood, Chair

Lessons of Experience  Muhammad Yunus  65
Discussant Remarks  Sekai Holland  69
Floor Discussion  72

Special Address: Ending Hunger: A Global Concern  Boutros Boutros-Ghali  79

Session 5: The Political Economy of Hunger
Shahid Husain, Chair

The Political Economy of Hunger  Amartya K. Sen  85
Discussant Remarks  Marcelo Selowsky  91
Workshop Spokesperson Remarks  Deepa Narayan  94
Barbara J. Bramble  95
Floor Discussion  97

Special Address: NGOs and International Organizations: Developing Collaboration to Fight Hunger  Jimmy Carter  103
Floor Discussion  107

Final Session: Commitment to Action
Needed: Food Security in a Hungry World  J. Brian Atwood  111
Concluding Statement on Behalf of NGOs  Carolyn Long  114
Closing Remarks  Ismail Serageldin  116

Appendixes
1. Overcoming Global Hunger: An Issues Paper  127
2. Addressing Hunger: A Historical Perspective of International Initiatives  147
3. Lessons of Experience: Twelve Case Studies  163
4. Ending Hunger Soon: Concepts and Priorities  203
5. Hunger and the World Bank: An NGO Perspective  219

Associated Event
The Ethical Dimensions of Global Hunger: A Panel Discussion
Opening Statement  Ismail Serageldin  227
Statement  Jorge Marid Mejia  229
Statement  David Beckmann  232
Statement  Ibrahima Fall  236
Floor Discussion  241
Closing Statement  Ismail Serageldin  244
Foreword

That a sixth of humanity goes hungry in a world where food is plentiful is an abiding disgrace. That hunger persists despite the many conferences and initiatives organized to overcome it is a profound challenge to the development community.

The Conference on Overcoming Global Hunger was inspired by the example of Tony Hall, who by fasting made us acutely aware of the need for renewed and more effective action. The consensus that emerged among the participants focused on the need for a more collaborative effort on the part of the international community. With that came the recognition that the key to reaching the poorest of the poor was to assist them directly to raise their earning capacity through participatory community-based programs. Only by involving poor people directly in the design and management of programs can we achieve sustainable improvements in welfare.

Our challenge now is to ensure that this conference does not become an isolated event. Beyond a continuing dialogue, the need now is to agree on specific actions that would benefit the poorest of the poor.

Most often the poorest groups are women. The conference once again underlined their crucial role. The empowerment of women is at the core of any sustained action to deal with poverty and hunger.

There is widespread agreement that hunger must be tackled with a broad-based poverty reduction strategy, for it is extreme poverty that is the main cause of hunger, and not insufficient food production. Eradicating hunger and malnutrition is an attainable goal, but it depends on all of us working together for this common purpose.

Eradicating hunger is an objective to which all decent human beings must be devoted. In the last century, some people looked at slavery and said that it was unconscionable and unacceptable. They said it degraded the free as well as the slave, and that it must be abolished. They were known as abolitionists. In this day and age, I say that hunger is unconscionable and unacceptable. We must become the new abolitionists. We must not fail.

Ismail Serageldin
Vice President,
Environmentally Sustainable Development, and
Chairman,
International Conference
on Overcoming Global Hunger
Acknowledgments

We would like to express our profound appreciation to the president of the World Bank, Mr. Lewis T. Preston, who not only supported the conference, but gave his personal attention to the preparation and proceedings. His personal involvement was widely noted and contributed much to the success of the event. Likewise, the managing directors of the Bank gave freely of their time to ensure the soundness of the Bank's position vis-a-vis the issues under discussion. In particular, Mr. Sven Sandstrom gave unstintingly of his time and energy to shepherd the various interrelated strands that made the conference possible.

Special thanks are due to the American University and its president, Mr. Elliott Milstein, and the University's Center for the Study of the Global South and its director, Mr. Clovis Maksoud, who graciously hosted the event and extended every assistance to ensure its success.

The planning and organization of the conference was a collective effort. We wish to express our appreciation to the members of the conference steering committee for their time, contributions, and commitment to the event: Nancy Alexander (Bread for the World); Richard Bissell (Overseas Development Council); Joanne Carter (Results); Vera Gathright (IFAD); Carolyn Long (InterAction); John Morrill (Congressman Tony Hall's office); Joe Muwonge (World Vision); Martin MacLaughlin (U.S. Catholic Conference); Charles Sykes (CARE); and Jock Anderson, Alan Berg, John Clark, Timothy Cullen, Alan Drattell, Siddharth Dube, Leslie Elder, James Greene, Jeffrey Hammer, Roslyn Hes, Norman Hicks, Valerie Kozel, Matthew McHugh, Oey Meesook, John Mitchell, Michel Petit, Bill Stanton, Harry Walters, and Aubrey Williams (World Bank).

We would like to thank other Bank staff whose dedication and hard work contributed to the success of the event. We would like to acknowledge in particular, Richard Barrett, Fleurdeliza Canlas, Anjali Chadha, Beni Chibber-Rao, Meta de Coquereaumont, Beni Devine, Alan Donovan, Elizabeth Dvorsnak, Barbara Eckberg, Arlene Elcock, Claire Evans, Kelly Forrest, Chantal Fox, Catherine Guie, Julie Harris, Alicia Hetzner, Tomoko Hirata, Dean Housden, Sarwat Hussain, Heather Imboden, Vincent Jayasuriya, Cordell McKinley, James McKinney, Adoracion Morao, Rene San Martin, Patricia Moran, Karen Osborne, Joyce Sabaya, Aissatou Seck, Rachel Sengers, Saydeh Shammas, Christine Stover, Fulvia Toppin, Rita Vartanian, Luisa Victorio, Dayananda Weerakkody, and Magdalena Zee-Wu. Special thanks to Michele Iannacci and his staff for providing all the pictures in this document. In addition, we would like to acknowledge the staff of the Center for the Study of the Global South, especially Ron Carlton, Patrick Grady, Dina Kasravi, Yasmine Khan, Katie Lukianoff, Susie Nemazee, David Taylor, and Tony Vecchione.

The editors also wish to express their appreciation to Judith Nicholson for managing the participatory process throughout the planning stage and for organizing the Participatory Workshop, which preceded the main event, and to Eveling Bermudez for her invaluable assistance in coordinating the conference and bringing this document to publication. Finally, we are especially grateful to our editorial consultant Alice Dowsett.
Contributors

Nancy Alexander, Director of Issues, Bread for the World

Fawzi Al-Sultan, President, International Fund for Agricultural Development

Brian Atwood, Administrator, U.S. Agency for International Development

Jayshree Balachander, Nutrition Specialist, Human Resources and Poverty Division, Africa Technical Department, World Bank

David Beckmann, President, Bread for the World

Catherine Bertini, Executive Director, World Food Programme

Nancy Birdsell, Executive Vice President, Inter-American Development Bank

Richard Bissell, Visiting Fellow, Overseas Development Council

H.E. Dr. Boutros Boutros-Ghali, Secretary-General, United Nations

Barbara J. Bramble, Director, International Programs, National Wildlife Federation

The Honorable Jimmy Carter, former President, United States of America

Gaurav Datt, Consultant, Poverty and Human Resources Division, Policy Research Department, World Bank

Anne Marie del Castillo, Food Economics International, Ltd.

Jean Jacques De St. Antoine, Senior Project Operations Officer, Human Resources Division, Department 1, Latin America and the Caribbean Regional Office, World Bank

Siddharth Dube, Editorial Research Analyst, Population Health and Nutrition Department, World Bank

Christopher Dunford, President, Freedom from Hunger Foundation

Leslie Elder, Nutrition Consultant, Population, Health and Nutrition Department, World Bank

Ruth Bamela Engo-Tjega, Cofounder, Advocates for African Food Security

Ibrahima Fall, Under Secretary-General, United Nations Centre for Human Rights

The Honorable Tony P. Hall, Member, U.S. House of Representatives

Titles reflect positions held at the time of the conference.
Carlos Heredia, Director of International Programs, Equipo Pueblo, Mexico, and Visiting Fellow, The Development Gap

Anna Sant'Anna, Project Officer, Human Resources Operations Division, Department 2, Latin America and the Caribbean Regional Office, World Bank

Sekai Holland, Association of Women's Clubs

Marcelo Selowsky, Chief Economist, European and Central Asia Regional Office, World Bank

Pierre Landell-Mills, Senior Policy Adviser, Office of the Vice President, Environmentally Sustainable Development, World Bank

Amartya K. Sen, Lamont University Professor, Department of Economics, Harvard University

Kathy Lindert, Consultant, Agriculture Operations Division, Department 1, Middle East and North Africa Regional Office, World Bank

Ismail Serageldin, Vice President, Environmentally Sustainable Development, World Bank

Carolyn Long, Vice President, InterAction

Julia Tagwireyi, Director for National Nutrition, Ministry of Health, Zimbabwe

Atherton Martin, Executive Director, The Development Institute

Laura Tuck, Senior Economist, Office of the Vice President, Europe and Central Asia Regional Office, World Bank

Monsignor Jorge Marid Mejia, General Secretary of the Congregation for Bishops, The Vatican

Alberto Valdes, Agricultural Adviser, Latin America Technical Department, World Bank

Elliott Milstein, Interim President, The American University

Isabel Vial, Associate Professor, Instituto de Nutrición y Tecnología de los Alimentos, Universidad de Chile

Deepa Narayan, Social Scientist, Environment Department, World Bank

Joachim von Braun, Professor, Institute of Food Economics, University of Kiel

Shafika Nasser, Professor and Chairperson, Department of Public Health and Nutrition Faculty of Medicine, Cairo University

Harry Walters, Food Security Adviser, Human Resources and Poverty Division, Africa Technical Department, World Bank

Lewis T. Preston, President, World Bank

Patrick Webb, Research Fellow, Food Consumption and Nutrition Division, International Food Policy Research Institute

Shlomo Reutlinger, Food Economics International, Ltd.

Muhammad Yunus, President, Grameen Bank

Mildred Robbins-Leet, President, Trickle Up Program
Acronyms and Abbreviations

AKKSP  Aga Khan Rural Support Program
CAM   Centro de Apoyo a la Microempresa
CGC   Caisse Générale de Compensation
CFNP  Community Food and Nutrition Program
CFP   Complementary Feeding Program
CGIAR Consultative Group on International Agricultural Research
CSFP  Children's Supplementary Feeding Program
EGS   Employment Guarantee Scheme
FAO   Food and Agriculture Organization of the United Nations
FINCA Foundation for International Community Assistance
FFHC  Freedom-from-Hunger Campaign
GDP   gross domestic product
GNP   gross national product
IDA   International Development Association
IDB   Inter-American Development Bank
IFAD  International Fund for Agricultural Development
IFPRI International Food Policy Research Institute
IMF   International Monetary Fund
NGO   nongovernmental organization
PRAF  Family Assistance Program
TINP  Tamil Nadu Integrated Nutrition Project
UN    United Nations
UNDP  United Nations Development Programme
UNICEF United Nations Children's Fund
USAID U.S. Agency for International Development
WFP   World Food Programme
WHO   World Health Organization
Introduction

Hunger is not a simple phenomenon that yields to simple solutions. The means to overcome hunger cut across the whole spectrum of development challenges: raising agricultural productivity, developing human resources, creating jobs, and improving governance. Consequently, the World Bank, which exists to foster the development of poor countries, has a central role to play in assisting countries to banish hunger.

Recognizing this special responsibility, the Bank responded to Congressman Hall's call to action by offering to organize a conference where those most knowledgeable about hunger and malnutrition in developing countries could meet to formulate an agenda for action. The objective of this collaborative effort was to (a) identify major elements of an effective strategy to reduce hunger and to generate the necessary political will; (b) build consensus on a priority action agenda to reduce global hunger; (c) assist the World Bank in defining what it can do to help implement the action agenda; and (d) raise awareness about the seriousness of global hunger, the actions that can be taken to overcome it, and what the World Bank is prepared to do to reduce hunger.

From the start the conference organizers recognized that two very different perspectives had to be taken into account. One was that of country economic managers, the finance and planning officials who devise countries' macroeconomic and sectoral strategies. The other was that of local nongovernmental and community-based organizations whose staff are in direct contact with poor families. Thus, the conference was planned in close consultation with representatives of NGOs who participated actively in the work of the conference steering committee, as did Congressman Hall's staff. InterAction, which has links with NGOs worldwide, coordinated the NGOs' contributions.

The tensions that arose from these two different perspectives were immediately evident at the steering committee's meetings, which had to make difficult decisions on the form and content of the conference. The NGO representatives were interested in influencing the World Bank's country assistance strategies and the design of structural adjustment programs, while Bank staff saw the conference's main task as building a consensus on specific priority actions to be taken at the country level and supported by all those agencies—multilateral, bilateral, and nongovernmental—active in the country concerned. These tensions persisted throughout the conference.

The conference was preceded by a one-day preparatory workshop attended by NGO representatives; researchers; and representatives of bilateral and multilateral institutions, including UNICEF, the World Food Programme, the UNDP, and IFAD, as well as the World Bank. The workshop provided a forum for experts in food security and nutrition to thrash out the key issues and present their ideas and proposals to the main conference. The workshop participants divided into three groups to discuss the topics of the different sessions of the main conference: (a) the impact of macroeconomic reform on poverty and hunger, (b) the lessons learned from targeted interventions to overcome hunger, and (c) the political
economy of hunger. Each group chose spokespersons to summarize the group’s views and conclusions for the benefit of those attending the main conference.

To assist the deliberations of the main conferences, four background papers were also prepared. These reviewed the history of past international initiatives to reduce hunger, sought to clarify concepts and priorities, summarized the lessons of experience from twelve case studies, and set out key issues for the conference to address. These papers are included in this volume as appendixes 1–4. The NGOs at the conference prepared and circulated a statement which has been included in this document as appendix 5.

Finally, a separate but related event was held—an evening panel discussion on the ethical dimensions of hunger. The main statements and a summary of the panel discussion that followed are attached in a special concluding section.

The conference was well attended. At times as many as 1,200 people filled the conference hall, and requests to speak from the floor were numerous. The concern of the vast majority of participants was to find ways to move decisively from rhetoric to action. Over the years people have made so many speeches about the disgrace of hunger in the world, and yet so little has been achieved to improve the access of the poor to food.

What, then, has been the outcome to the conference? First, the conference steering committee has been reconstituted as a follow-up group and has agreed to promote country-level consultations at which government officials and local NGO representatives could meet to review the food security and nutrition strategies in place and to identify specific additional actions that should be undertaken. Second, a donor group has been meeting to establish a consultative group aimed at improving the earning capacity of the very poor. In the first instance this will concentrate on expanding the provision of financial services to the very poor. Lastly, the World Bank has prepared an action agenda for deepening its support for reducing poverty and hunger.

The analysis set out in the supporting papers prepared for the conference brings out the strong link between hunger and poverty alleviation. Countries such as Indonesia that have achieved rapid growth in per capita incomes have also seen a rapid reduction in the number of families below the poverty line. At the same time, however, rates of poverty reduction differ considerably among countries with the same per capita income growth rates, and hence the extent of hunger alleviation among countries. Moreover, the extent of hunger among countries at the same level of per capita income varies greatly. The reason for these differences can be attributed in part to differences in the design and implementation of programs directly targeting the hungry.

The case studies illustrate a number of different hunger alleviation programs that allow us some insight into what works best. Differences in the extent of hunger alleviation among countries with the same growth rate of per capita income are attributable in large measure to the varying results of the hunger policies and programs different countries have adopted. For example, Chile’s remarkable improvement in its social indicators contrasts with changes in the social indicators of other Latin American countries with similar levels of per capita income. This is because of the existence or absence of policies and programs explicitly intended to reduce poverty and hunger and their varying effectiveness. The case studies show that specific interventions targeted to assist those who suffer from hunger—especially the very poor—can have a significant positive impact. At the same time, they reveal the ample scope for learning from experience to improve the design and management of these programs to target them better and to make them more cost-effective.

The struggle to banish hunger worldwide is a long one. There has been too much talking and too little doing. This conference was yet another contribution to the debate. Now is the time for action.
Session One

Global Challenge
Welcoming Remarks

Elliott Milstein

The American University is very pleased and honored that the World Bank chose our campus as the site for this major conference on world hunger.

Overcoming global hunger is an ennobling endeavor, besides being an issue of immediate concern and urgent humanitarian priority. Indeed, conceiving of an issue that is of more fundamental importance than this one is difficult. For this reason, our welcome to you on behalf of the university community is heartfelt.

Your participation here comes at the end of 1993, the 100th year of The American University. During our centennial year we were able to reflect on our own involvement in international human rights, international trade and economic development, international environmental protection, humanitarian affairs, dispute resolution, and international education. The involvement of our faculty and our students, through their scholarship and through their public service work, in these kinds of issues throughout the world makes it particularly fitting that this conference is being held here. Furthermore, as overcoming global hunger is part of the agenda of our Center for the Global South, which operates under the able direction of Dr. Clovis Maksoud, the conference reinforces our commitment to that center and its work in the south of the world.

I am hopeful that this conference will open new avenues of cooperation and joint programs between The American University, and particularly the Center for the Global South, our School of International Service, and the World Bank and the NGOs, in their respective struggles to combat the root causes of hunger and to ensure a more equitable world order.

I wish you success in this conference and, more important, in the work that it will engender. Welcome to American University.
Partnership to Fight Hunger

Lewis T. Preston

Like most of the organizations represented here today, the World Bank—through its commitment to poverty reduction—has long been concerned about global hunger. Congressman Tony Hall’s fast earlier this year gave renewed and dramatic attention to the issue and sparked the thinking that led to this event. I would like to take this opportunity to commend Congressman Hall on his efforts, and to say how delighted we are that he is here today.

Sense of Perspective

This conference does not take place in isolation. There have been many other conferences that—as you know—have set ambitious hunger reduction objectives. The actual results, however—again, as you know—have too often fallen short of those objectives. We must ensure that our words during the next several days are matched by our actions during the next several years. We need to be realistic and view this conference as a step toward a stronger international effort to address global hunger and as part of a continuing dialogue. That does not mean, of course, that we will necessarily agree on everything, but it is in everybody’s interest to be open to different views and perspectives.

The World Bank has convened this conference, but it does not act alone. Hunger can only be effectively addressed through a partnership involving all those concerned. The governments and peoples who face the problem every day are—ultimately—the key actors, but the United Nations organizations, donor agencies, nongovernmental organizations, and multilateral institutions also have important roles to play. It is encouraging to see this partnership strongly represented here today.

Poverty and Hunger

Hunger in the midst of plenty is one of the most difficult development challenges of our time. Aggregate food production continues to increase; yet hunger also continues to blight the lives of hundreds of millions of people.

Hunger is sometimes caused by drought, disease, or war, and a strong humanitarian response is always needed in those cases. But the more widespread and deep-rooted form of hunger is caused by people having neither the capacity to produce food nor the income to pay for it. Fundamentally, hunger is caused by poverty.

Broad Spectrum of Actions

If we want to reduce hunger effectively, we have to reduce poverty, and that requires a broad spectrum of actions, namely:

- Supporting government policies that encourage growth and employment for the poor and removing policies that discriminate against agriculture and peasant farmers
- Investing in people’s capacities through education, health, family planning, and nutrition
- Implementing better agricultural technologies and research
• Focusing on the vital link between environmental sustainability and increased food production
• Expanding the participation of the poor in development through increased access to credit, land, and services.

The Bank, working with its partners, is deeply engaged in supporting these efforts, but recognizes that more needs to be done, both by the Bank and by its partners.

Complementary Action at the Grassroots Level

The discussion over the next few days ought to consider how we can complement our ongoing efforts and reach the poorest of the poor more directly.

Micro-level credit schemes, such as those undertaken by Grameen Bank of Bangladesh, the Badan Credit Bank of Indonesia, and the International Fund for Agricultural Development, have proven to be highly effective at the grassroots level. The basic idea behind these schemes is to help people help themselves by starting small-scale income generation projects and businesses. They are a particularly effective way of reaching women, thereby helping to improve the incomes and well-being of their children and families.

The World Bank is willing to work with its partners to expand effective micro-level credit schemes for the poorest of the poor, perhaps by joining other donors who might be willing to take the lead in establishing a consultative mechanism that could focus not only on funding, but also on the dissemination of best practices.

In the meantime, the Bank is ready to make the concept action-oriented. The Grameen Trust, represented here today by its founder, Dr. Muhammad Yunus, has already initiated a program to provide seed capital to some thirty to forty micro-credit schemes in various countries during the next five years. A number of donors have already contributed to this program, and I am pleased to announce that the Bank is also willing to contribute a US$2 million grant to help cover the Grameen Trust’s startup needs. As you may know, the Bank does not generally provide grants. We are prepared to make an exception in this case because the need is urgent and because, as I indicated, we hope it might help to catalyze a broader response from the donor community.

Conclusion

Many other actions can and must be taken to fight hunger, and I emphasized earlier the importance of embedding our efforts in the context of a broad poverty reduction strategy. The various organizations represented here have different comparative advantages, but we all share the same goal. More collaboration and a more regular, more open dialogue can help us to achieve it. If this conference moves us further down that road, it will have served its purpose, and the millions who suffer in poverty and hunger will benefit.
A Vision for a Hunger-Free Partnership

Tony P. Hall

St. Francis of Assisi said, “We need to preach the gospel at all times and only if necessary do we need to use words.” I believe he meant that we need not make speeches or talk so much, but rather act and demonstrate our love for our fellow man. I think action is a good word for us. It is not enough to come out of here with a good statement, a good direction. We must be people of action. Speak softly, but firmly, and let our actions speak for themselves.

I want to thank the World Bank, President Preston, Dr. Serageldin, and especially my good friend Bill Stanton, who had the vision and the love not only of this Bank, but of the issue of hunger. I thank them for asking me to be part of this most important conference and for responding not only to this pressing issue, but to my twenty-two-day fast.

The reason for the fast was that I was frustrated with my colleagues in the American Congress for their failure to focus on and emphasize the importance of the hungry, not only in the world, but in the United States as well. How can we call ourselves leaders and yet not lead in the most basic of human rights: the right to eat, the right to food? How can we stand by and not make the children and the malnourished people of this world a priority, especially when we have the resources and knowledge to end hunger, or at a minimum decrease its prevalence substantially?

In reading the book of Isaiah, verse 58, about fasting, I felt that I was on a path that I could not turn back from, and that was to identify with the poor and to raise people’s consciousness about the hungry.

Looking back on it, I was amazed at the experience. I looked on this act of fasting with the anxiety and dread that any man of habit feels when suddenly confronted with a duty that carried with it an action that is so unfamiliar, so out of his comfort zone, that the details and results are not up to him, and are beyond his understanding and control. Nevertheless the action, done in all humility, was very powerful to me. It was a moving experience that I admitted to my wife I would miss. I felt I was inspired by God and I still do. At other times I thought I would be labeled “the flake of the year.” I thought this was the end of my career, but I was willing to give it up because I was so frustrated and angry at the lack of response from my own Congress and my own colleagues.

By going twenty-two days without food, with only water, I felt what it was like for some children as they go to school, how they are tired, falling asleep, sometimes dull, because they do not have enough food to feed their brains. I felt very old when, in the afternoon, I could not walk a block without being winded, and when I would lie down to rest I did not feel I could get up because I was so tired, without energy, and yet I was not hungry anymore. I remember an experience I had in 1984 in Ethiopia, on the upper plateau, where 50,000 people had come because they had heard—this was in the very early stages of the famine—that food would be available. But when they arrived, nobody was there. There were no medicines, no doctors, no blankets. There was nothing. As I was relating this to my own fast, I wondered how these people had walked so far. How were they able to get to the site?
What happened as a result of the fast, the thing that is so unpoltical, was that thousands of people across the country, even in other countries, wrote and asked, "What can we do?" Some started programs. Some wrote and asked, "To whom can we donate our money?" "Who is really fighting hunger?" It was amazing that these thousands of letters and communications poured in from all fifty states of my own country.

Then Mike Espy, the secretary of agriculture, started a series of summits on domestic hunger in the United States. He is very involved and very committed to this. In the Congress I have started a hunger caucus that has more than seventy members, and I am starting an outside group, the Congressional Hunger Center, to follow up on the issues we will be discussing in the next few days. The center will have a hunger intern program, the Mickey Leland Hunger Corps, which will send young people out to various hunger sites around the country for a few months, and on their return they will share their experiences with their colleagues or with the Congress itself. We are also in the process of completing a high school hunger curriculum that we intend to offer to hundreds of schools around the nation, and eventually around the world.

We have here today in this room and at this conference the experts who know hunger issues better than anyone else. You live with it, you fight it, and you are committed to doing something about it. We have a chance to make a major difference together.

One sensitive problem that has long plagued our fight against hunger is the long-standing debate about whether hunger can best be solved with a top-down approach or with a participatory bottom-up approach. Another major debate is whether we should aim our resources at short-term relief or long-term solutions. One of the best possible outcomes of this conference would be agreement about the best approaches to take.

We here in Washington have tried to end poverty for years. Our policies, developed apart from the poor's everyday realities, have not completely worked. Our ideas of what is best for the people of Gonaives, Haiti, might not be their idea of what they need. I have seen whole communities defeat hunger. They are like an oasis in a desert of hunger. Their solutions work because they come from the bottom up. We need to do everything we can to support solutions to hunger that work, no matter where they come from.

In this context, the NGOs deserve praise for their programs and the arguments they put forth that incorporate a bottom-up approach and a responsible mixture of short- and long-term solutions. The NGOs' involvement in a hunger strategy is absolutely essential if we are ever to succeed. More and more, NGOs are successfully convincing governments and multilateral groups that they must provide both short-term and long-term solutions to the problems of world hunger and poverty. NGOs are driving home to world leaders the notion that solutions to hunger cannot be imposed from the top down. Progress can best be made when the poor are given the opportunity to design solutions to their own problems.

We must increase our aid and our resources and be sure that they get to the poorest of the poor. I think the Bank deserves credit by increasing its lending to such sectors as health, nutrition, and education. The Bank is our friend, and we can all help our friend by continuing to encourage it to pursue economic growth that not only empowers the poor, but enables them to participate.

Our conference should be like a grand bonfire that heats a room during the winter months, and while it burns brightly it provides warmth and comfort, but if you separate the logs from the sticks and scatter them piece by piece around the room, they burn out. Some might continue to burn, but they would not heat the room, they would not do the job. We need to work together as a team, share our resources, and not reinvent the wheel. We must commit to a plan and work like that bonfire burning brightly to give warmth, comfort, and vision to a cold and hungry world.
Participation of Nongovernmental Organizations

Carolyn Long

When planning for this conference, the World Bank invited four NGOs to serve on the steering committee, and we accepted the invitation, not as cosponsors of the conference, but in a consultative role, to provide recommendations and our point of view.

The NGOs' orientation to the conference has been somewhat different than the World Bank's. The World Bank has perceived this conference and is working in this conference to consider hunger in the global context, which includes all institutions involved—governments, multilateral agencies, universities, NGOs, and the hungry people themselves—whereas the NGOs, primarily because of the power of the World Bank worldwide, decided that they would focus exclusively on the role of the World Bank in regard to hunger. We felt it was important to explain that at the beginning, because all of our actions in relation to the conference, the NGO speakers we recommended and whom the Bank agreed to put on the program will all look at this conference from the perspective of the World Bank and its role.

So on behalf of the NGOs, the "sticks in the bonfire" that Congressman Hall just talked about, I want to acknowledge the World Bank's staff for their willingness to include the NGOs in the planning of this conference and their openness to accepting many of our recommendations, even though they knew that we would be critical of them. And I want particularly to thank Vice President Ismail Serageldin, who in some ways has put himself on the line.
Nothing Grows 
from the Top Down

Atherton Martin

I am very pleased to have been chosen to represent the views of several hundred thousand people, who for obvious reasons could not be here today, but who would insist that we remain faithful to their realities, their concerns, and their hopes for the future.

In the last 500 years, there have been four major threats to the survival of humanity: slavery, fascism, hunger, and environmental degradation. One of these has been overcome: slavery. To a greater or lesser extent, fascism, hunger, and environmental degradation persist. Slavery was overcome by the action of people in the South and the North who were outraged by the very thought of one human being owning another human being. The other threats to our humanity, and in the context of this conference, hunger, await the action of people who, like Congressman Hall, are determined that the pain and indignity of hunger and the horror of the starvation of even one human being will not be tolerated.

The “champagne glass” of hunger and poverty that is depicted in this chart accurately illustrates the brutality of the problem of hunger. In summary, at the top of the glass the richest 20 percent of the people receive, own, and control 82 percent of all the income and wealth of the world. At the bottom of the glass, the poorest 20 percent of the people share 1.4 percent of the income and wealth of the world. Together with the rest of us, the World Bank is challenged to accept the challenge of changing the conditions that create and sustain this horrendous human injustice.

As the representatives of NGOs, many of us from the countries of the world normally associated with the phenomenon of hunger, we simply refuse to accept hunger as a feature of life on earth. As NGOs we are convinced that an end to hunger is not only possible, but imperative. We believe that for every person going hungry anywhere in this world, there should be a Tony Hall willing to go to extraordinary lengths to draw attention to the shameless fact that we have the capacity to prevent that indignity. We salute the courage and persistence of that U.S. congressman who, when all else had failed, was prepared to resort to embarrassing the U.S. Congress, the U.S. public, and the world into paying attention to the tragedy of hunger. We also salute the courageous people throughout the world and inside the World Bank who have received that message from Representative Tony Hall and decided to act on it.

Yesterday, the representatives of southern NGOs had a most interesting exchange with senior Bank staff regarding the Bank’s role in contributing to the causes of global hunger. We were pleased to hear many of these staffers repeat what NGOs have been saying for several years about the important contribution of economic policies and programs to the debacle of persistent poverty and its bedfellow, hunger. We were pleased because the emergence of a common perspective on the causes of hunger signal the possibility for partnership in the efforts to end hunger. We applaud these staffers and applaud the president of the Bank for his support for this conference and the resulting opportunity to have this dialogue.

As NGOs we believe that we have a special role in this and other efforts aimed at drawing
attention to the problem of global hunger. Simply put, we are prepared to be the conscience of many people in rich and poor countries who see hunger, reject it, and have decided to end it. We are prepared to be the conscience of those who understand the cause of the deepening crisis of global hunger as it relates to development policies and strategies, many of which have been advocated and financed by the Bank and other international financial institutions during the past fifty years. We are prepared to be the eyes and ears of the millions who are unable to be here, who are unable to read your documents, who are unable to see the opulence of your work stations, who are unable to be here to tell you themselves what it means to go hungry. We are your conscience saying no! Enough! Let us put a stop to this!

To put a stop to this means that we must change the way that we do business. For the Bank, probably the single most critical institution relating to the issues of global economic activity in recent decades, this means changing the way that things are done inside the Bank, between the Bank and other financial institutions, as well as between the Bank and its client governments, and most important, between the Bank and the people in whose name we combat hunger.

Instead of administering structural adjustment programs to our countries, the Bank would need to focus on making adjustments to its own operations that would allow it, for example, to establish procedures and mechanisms that allow the experiences and the expertise of poor women, workers, farmers, youth, and others to inform and shape policies and programs of the bank!

The Bank would need to subject itself and its work to the scrutiny of those same groups who are most affected by its actions, and to be responsive and accountable to the poor in whose name it addresses the issues of hunger.

The Bank would need to link its policies and programs in such areas as trade, education, health, housing, nutrition, and other important spheres of human life to the phenomenon of global hunger, and to insist on an integrated approach to the design and implementation of Bank policies and programs.

The Bank would need to admit that the medicine of structural adjustment has not helped stop global hunger, which means that it should stop trying to administer that potion to our countries.

The Bank would also need to agree to regular interaction with those who work with and represent the poor, so that NGOs from the countries of the South together with their partner NGOs from the North would provide year round input into the process of transforming the Bank into an instrument for development that is responsive to the needs of the poor and hungry among us.

It is already clear from this that our perception of economics places people at the center, and is substantially different from the notion of economics that is espoused by the Bank. Lest we be misunderstood, however, we wish to make it clear that NGOs recognize the need for international trade as one means of stimulating economic activity, but we in turn ask that the Bank recognize the need for trade arrangements that not only earn foreign exchange, but meet people's needs for jobs, housing, health care, food, and other life essentials.

In the same vein, if the Bank accepts the need for large industrial economies to protect their microchip industries and the intellectual property rights that go with them, we insist that it recognize the need for countries such as ours to protect national and regional markets for our products, to protect our jobs, and to protect our rich biodiversity and other natural resources. We note that such measures on the part of poor countries attract the label protectionist and are referred to as unfair trading practices, and often result in economic retaliation. We also note that the Bank is often prodding the compliance of poor countries with trade liberalization as a conditionality for financing.

We note, however, that even when large countries resort to direct cash subsidies to protect their own producers, as is the case with rice, wheat, corn, and many other commodities in the United States, for example, these measures are not considered protectionist, they do not attract retaliatory measures, and the Bank, among others, remains silent on these blatant violations of the principles of free trade. A case in point: the United States just this year used its PL 480 food aid program in Jamaica to force Guyana’s rice out of that Caribbean market. Rice is a commodity that attracts some of the highest subsidies in the United States, and we have calculated that whereas Caribbean rice producers in Guyana receive no subsidies, just one of the five rice sup-
port programs in place in the United States pays an average of US$50,000 per year to each rice farmer. If this is the free trade that we are being told about, it is no wonder that poor countries cannot engage in free trade. We simply cannot afford it.

What does all this business of trade have to do with hunger? Well, it is relevant when the Bank insists that we produce more crops for export, as that is the way we will earn foreign exchange that we can then use to buy cheap, subsidized food from the rich countries and to service our international debt. But do you understand that by insisting on this dependence on a narrow range of commodities for export, you are destroying one of the only safety nets that poor countries can afford, the diversity of mixed farming that addresses some of our food needs? How many of you would invest all the money that you had saved up for your daughter’s college education in one option on the stock market? Well, that is exactly what you are asking us to do.

Does the Bank have any alternative? It certainly does. The conditions attached to lending the Bank’s resources can be tied increasingly to rewards for efficient management of scarce resources; to food security based on local production; to the effective involvement of women in the production, preparation, distribution, and trading of goods and services; to the processing and manufacture of goods that use local raw materials and foster linkages between different sectors of the economy; to the creation of jobs for the armies of young people that populate our rural and urban areas; and to other such indicators of a development that is sustainable, equitable, participatory, and self-reliant. Such indicators as these have become known as the central features of sustainable development and should become the major conditionalities governing the Bank’s policy, programming, and lending.

The practice of providing loans for development projects, yet insisting that most of the money be spent to purchase high-priced equipment and personnel from the rich countries of the North, defeats the purpose of national self-sufficiency and regional integration and undermines any chance that we might have of developing South-South trade or the capacity to become globally competitive. This can be stopped. So, of course, the Bank can change.

The problem is that a Bank whose collective corporate experience is light years removed from that of those whom it purports to serve may be unable to craft policies and programs except those in support of cash crop production, export-led growth, large-scale dams, and mega hydroelectric plants, all of which in their present form destroy the capacity for food production of previously self-provisioning communities, exposing people to food shortages, and eventually to hunger. To set off on a new path, the Bank will need to work closely with organizations and people who work with and represent local communities in the poorer countries. The NGOs represented here at this conference, and the many others in whose name I humbly speak, are such organizations. We can help translate the criteria for sustainable development into concrete arrangements that see the expertise and experience of people of the South directly applied to designing and implementing programs that attack hunger at its roots.

It is good and noble that Congressman Hall’s fast has brought us here today. Let us not forget that his fast was about hunger. Hunger here, hunger there, hunger everywhere, even in this, the richest country of the world! Let us also not forget, however, that it has taken a twenty-two-day fast by one U.S. congressman to bring the World Bank to the table to eat of the food of reality, but the suffering and death of thousands, hundreds of thousands, even millions, of African and other children, women, and men from lack of food was not enough to do that.

This conference should not, therefore, be seen as the definitive response to the congressman’s fast or to the pain and suffering of those who experience hunger around the world. This conference is instead a chance for a fresh beginning of our campaign to put an end to the sound of “bubbles in bellies” once and for all. This conference is our wake-up call to the fact that people in the countries where hunger persists know what is wrong, and know what must be done to end the indignity of poverty and to eradicate its ugly bedfellow, hunger. Through this conference, the Bank can send a signal to the world that the sound of the bubbles has been heard for the last time. The Bank can let it be known that from today, the knowledge, skills, and expertise of people from the South and the North will be mobilized and
focused on diagnosing, treating and curing the
global malady of hunger.

One more decade of structural adjustment
and business as usual, and there will be so many
hungry people all over the world, so much degra-
dation of our soils, so much pollution of our
waters and our air, such complete destruction of
our forests, so much debt, so much inequitable
trade, such widespread disease, such a break-
down in family and community cohesion, such
civil conflict, that even the actions of a trans-
formed World Bank would be to no avail. Now is
the time! Now is the time to change the partners,
to change the process, to change the tools of diag-
nosis and analysis, to prescribe and administer a
different treatment to an earth and its people that
are urgently in need of intensive care.

We, the NGOs, are here to tell you that this
conference must be that signal for change. We are
also here to tell you that this will be so only if the
Bank and others, including the U.S. Congress, are
big enough to admit that change is needed. Big
enough to admit that the Bank's staff, as talented
as many of them are, do not have a patent on the
skills of economic analysis, planning, and man-
agement for growth and development. The Bank
must also be big enough to admit that there are
people, even in the countries where hunger and
starvation are endemic, who have the skills, the
experience, and the commitment to play a critical
role in the campaign to end hunger.

We are here to tell you that the only chance
that the Bank has to be part of this campaign to
end hunger, once and for all, is to ensure that the
needs of those with the greatest stake in ending
hunger, the hungry, become the centerpiece of the
Bank's imperative for action. The NGOs, by
virtue of our evolution into institutions that
know and understand these needs intimately,
have the unique capacity to facilitate this new
partnership, this new contract for survival, this
new grand alliance for a world free from the hor-
ror of hunger. The Bank, for its part, is challenged
to be a sensible, flexible, and reliable partner with
the people, especially those in greatest need.

If the horror of global hunger forces the Bank
to do one thing, it should be to change the terms
of engagement and to do all that is necessary to
make it possible for local people, poor people,
hungry people to accept the Bank as a partner in
this quest to end hunger. Our message to the
Bank, therefore, is simple, "Come to terms with
the fact that the standard prescriptions for
growth have not ended poverty or hunger. The
chance for a change begins and ends with the
people on the ground, because very simply, noth-
ing grows from the top, down, not trees, not
economies, and certainly not people."
Conference Themes
Ismail Serageldin

It is indeed invigorating to hear the eloquence with which Atherton Martin puts forth his case. I feel comfortable that it is not disagreements on the objectives that may divide us in this group today, but perhaps on fine-tuning the contributions of each of us to establish more firmly the common ground on which we can act. This fine-tuning will be our responsibility in this coming day and a half, to determine how we can keep Congressman Hall's bonfire going to provide us with the necessary heat and vision.

Perhaps I too can share with you the feelings of outrage that so many of us in the World Bank, and in the development community at large, feel about the problem of extreme poverty and its ugly corollary, hunger, in the midst of a plentiful world.

Every day, 40,000 people die from hunger-related causes. In the brief forty-five minutes of this opening session, one-and-a-half times as many people as are in this auditorium will have died from hunger-related causes. Those who do not die outright are deprived of the most basic attributes of human existence, and their children are stunted in their growth and unable to realize the full potential of their genes.

From this perspective, hunger is surely the most abhorrent physical expression of absolute poverty, for it is imprinted on human flesh and bones. Furthermore, it is not only the poor who are degraded by that condition. All of humanity is degraded by tolerating that one-sixth or more of the world’s population could continue to live, barely, in such conditions. It is shameful for the nations of the world that have achieved so much in so many domains not to be taking the necessary actions to remove this blight from the face of the earth. All the more shameful because so much of the problem is avoidable.

Taking the actions needed to reduce hunger is what this conference is all about. But—and in this I join my colleagues who spoke before me today, including Mr. Martin and Congressman Hall—the goal of this conference is more than that. The abolition of hunger in our lifetime is a task to which all people of good conscience must rededicate themselves.

Mr. Martin mentioned slavery, and I believe that like slavery 150 years ago, hunger today is unconscionable. Let us be the new abolitionists, those who from every location and every forum will do our utmost to address this challenge. We must do so because it is a moral imperative. But beyond the ethical issues, from an economic standpoint and from a political standpoint, we have no choice. It makes no sense to leave so many kindred souls living in misery and wretchedness, barely on the brink of survival, when they could be active contributors to the improvement of both self and society.

But wishing the problem away will not make it disappear. It will require the systematic application of sound policies, a sustained commitment to investment in human resources, and the promotion of policies that support the empowerment of the poor. It will require special attention to the needs of women, for the empowerment of women is at the core of any sustained action to deal with poverty and hunger. It will require sustained commitment and partner-
ship from the international community, including all of us here today.

You may well ask, "What is the World Bank doing to meet this challenge?" The Bank’s commitment to fight poverty is grounded in a view of development that sees the ultimate measure of success in the improvement of people’s well-being. Mr. Preston has said many times that poverty reduction is the benchmark against which our success as a development institution must be measured.

We believe that sound economic management that focuses on broadly based, employment-generating growth is a necessary feature of any effective attack on poverty, because real progress occurs when the poor, the weak, and the marginalized become the producers of their own welfare and bounty, not the recipients of charity or the beneficiaries of aid. We also believe that these policies must be accompanied by sound investments, especially in human resources. Currently, the World Bank is lending close to US$3.0 billion a year for human resource development, of which US$1.6 billion is going for education, with a special emphasis on the education of girls. In some countries in the poorest regions that are most at risk, such as the Sahel in Africa, fewer than one girl in four goes to school.

But beyond this double-pronged attack of sound macroeconomic policies and investment in human resources, increasingly the Bank has been supporting direct interventions to improve food security and nutrition. Our support for nutrition projects, for example, rose from nearly US$20 million or so five or six years ago to more than US$680 million last year. Many of these projects have brought about sound improvements in people’s lives. The Tamil Nadu Nutrition Project in India, for example, managed to reach 20,000 villages and 3 million children, and significantly improved the nutritional status of 50 percent of those children.

Today we heard Mr. Preston announce that the Bank was willing to consider new ways of supporting complementary actions to reach the poorest of the poor and to join with our partners in exploring how we can systematically provide support to the kinds of micro-credit schemes that empower the poorest of the poor to pull themselves up by their bootstraps, whether it be the National Family Planning Coordination Board in Indonesia or Grameen Bank in Bangladesh. My colleagues and I look forward to participating in such discussions with the donor community after this conference.

Mr. Preston spoke of the different comparative advantages of different institutions in the fight against hunger. We fully recognize that ours is only one contribution among many. During this conference we must all seek the common ground that will enable each of us to make our contribution in a way that creates a whole greater than the sum of its parts. How do we do this? The World Bank certainly does not have all the answers. We are here to listen and to learn from the experience and expertise of others as much as to share whatever we have learned ourselves. This conference was structured so as to allow maximum interaction and cross-fertilization of ideas, which brings me to the mechanics of the program.

The conference was preceded by a participatory workshop at which representatives of international agencies, governments, nongovernmental organizations, and academic groups discussed the main themes of each of the main plenary sessions to be held today and tomorrow: macroeconomic policies, targeted interventions, and the political economy of hunger. The workshop participants designated rapporteurs from the workshop who will be reporting in the plenary for each session during the conference. The main sessions are structured as panels with an invited speaker, a designated discussant, and the workshop rapporteur as the second discussant. Each set of presentations will be followed by questions and answers from the floor.

On this occasion we hope that all speakers will keep in mind the issues of equity, sustainable development, and popular participation, which are the common threads running through this intricate tapestry. Again, as Mr. Preston mentioned, we know that there will be differences of opinion and disagreements, but that is healthy, because these are differences in means, not in ends. With good will on all sides, we all will leave here enriched by this dialogue.

The World Bank will be represented by many of our staff in the audience, and by four vice presidents in addition to myself, who will be the chairs of the four sessions: Mr. Edward Jaycox, the vice president for Africa; Mr. Caio Koch-Weser, the vice president for the Middle East
and North Africa; Mr. Joseph Wood, the vice president for South Asia; and Mr. Shahid Husain, the vice president for Latin America and the Caribbean.

Thus, in addition to the central vice presidents like myself and Mr. Michael Bruno, our chief economist, who is here in the audience right now, we will actually have listening to this debate the four vice presidents dealing with the four regions of the world that are perhaps most affected by this problem.

I would also add that we are privileged to have distinguished world leaders join us in our deliberations, and by their presence lend their support to the cause of ending global hunger during our lifetimes. We are indeed privileged to have with us:

- His Excellency Ketumile Masire, president of Botswana, winner of The Hunger Prize for 1989, chairman of the Global Coalition for Africa, first vice chairman of the Organization of African Unity, a true spokesperson not just for the people of Botswana, but for all of Africa. His actions have demonstrated what political leadership and a sensible government can do to avoid hunger and famine even in the face of the worst drought in 100 years. President Masire will be addressing us after the first session.
- Secretary-General of the United Nations Dr. Boutros-Ghali, scholar, diplomat, and profound humanist, who is actively working to orient the global United Nations system to balance military and political security considerations with the security that only broadly based development can provide when it brings a decent living to the millions of people currently deprived of it.
- Former United States President Jimmy Carter, who by word and deed, both in and out of the White House, has shown how profoundly a political leader can be committed to the cause of the poor and the hungry in the world. He will be addressing us tomorrow.

All in all, it promises to be quite a gathering and an unrivaled opportunity to build that common ground and keep that bonfire alive, to retain that sense of outrage that is necessary for all of us to go straight into action and not limit ourselves to talk.
Left to right, Clovis Maksoud, Director, Center for the Study of the Global South; Ismail Serageldin, Vice President, Environmentally Sustainable Development, World Bank; The Honorable Tony P. Hall, Member of the U.S. House of Representatives; The Honorable Jimmy Carter, former President of the United States; Elliott Milstein, Interim President of the American University; H.E. Sir Ketumile Masire, President of Botswana; J. Brian Atwood, Administrator, USAID; and Lewis T. Preston, President, World Bank.
Session Two

Macroeconomic Reform: Its Impact on Poverty and Hunger
My former colleagues in the World Bank have given me a tough topic and a challenging audience. I am delighted to have the opportunity to address a group among whom are many with on-the-ground experience in working in and managing programs to combat hunger. I see it as an opportunity to try to affect somewhat how you think about the problem we all face.

I want to convince you of the centrality of economywide reforms for the reduction of poverty and the defeat of hunger. You and your constituents need to be involved in and engaged with efforts of the World Bank, my bank (the Inter-American Development Bank), and other multilateral institutions in encouraging and assisting governments in the difficult task of reforming their economies.

I start from the premise that chronic hunger is not a food production problem, but a poverty problem. A strategy to combat chronic hunger boils down to a strategy to combat poverty.

I will talk about three points. Let me state them briefly and then discuss each one.

First, the importance of shared growth to the reduction of poverty. By shared growth I mean growth that benefits everyone, that lifts all boats, including the boats of the non-elites. To reduce poverty, economic managers in most poor countries (and officials of the multilateral agencies that work with them, and members of the community of non-governmental organizations) must worry not only about growth itself, but about the pattern of growth, and must aim for shared growth.

Second, that structural adjustment can and has reduced poverty, including in the short run. Adjustment is not only necessary, but is at times a major contributor to reduced poverty and hunger.

Third, that in reducing poverty and eliminating hunger, transfers and other compensatory programs can help, but are not a substitute for adjustment and shared growth.

Background: Poverty and Hunger

The relationship between poverty and hunger is clear: poverty is the root cause of chronic hunger, and hunger probably contributes to poverty, for example, by reducing the amount of energy available for manual labor. As most of you know, South Asia and Sub-Saharan Africa, which have the highest percentage of poor, also have the highest percentage of hungry people. The relationship over time also holds. In Latin America and Sub-Saharan Africa poverty increased between 1985 and 1990, and these regions also experienced a rise (or no change) in hunger. In East Asia and South Asia, where poverty decreased, so did hunger.

Poverty, in turn, and therefore hunger, are in part a function of country income per capita. Cross-country statistical analysis indicates, not surprisingly, a close relationship between average per capita income and average per capita consumption of calories. It is also true that no matter what the level of average income, growth of average income is associated with growth of average per capita consumption.
More interesting is that much of what is not explained in the statistical analysis is due to differences among countries in the distribution of income: for any given average income, countries with less equal income distributions have more poor people, who are more likely to be hungry.

Managing Shared Growth: Lessons from East Asia

This brings me to my first point: managing shared growth. Income distribution within a country is the result of initial conditions at some past time and economic and social policies since then. Policies of shared growth over time can make a difference to income distribution, and through distribution to poverty and hunger.

Why doesn't growth in some countries lift all boats? Why did growth reduce poverty so much more in Indonesia than in Brazil? I believe we should be more cynical in thinking about this question. Let us start from the premise that where the elites have political as well as economic power, in the absence of managed efforts government policies are likely to favor the elites. Often such policies contravene the market. A prime example is import substitution policy. Import substitution policy helps industrialists and those who get privileged access to foreign exchange, and via overvalued exchange rates permits cheap imports of consumer goods for the urban middle class, but it reduces the local currency proceeds of the exports of rural farmers and reduces demand for the labor of poor urban workers. Given the powerful combination of political and economic power among elite groups in many developing countries, including in the poorest, a trickle down laissez faire approach to growth is simply not likely to reach the non-elites.

To offset this tendency, a policy stance we can label shared growth is critical. Active management to reach non-elites was key to the phenomenon of shared growth described in recent work by the World Bank on East Asia. In Hong Kong, Indonesia, the postwar Republic of Korea, Malaysia, Singapore, Taiwan (China), and Thailand new regimes faced a formidable challenge from the communists, either externally, internally, or both. The need to build legitimacy with the working class in both rural and urban areas was no doubt pressing. To ensure the continuing support of the working class non-elites, leaders aggressively used a variety of mechanisms: strong support for public education at the primary, and eventually at the secondary, level in all these countries; land reform in Korea and Taiwan (China); housing programs in Hong Kong and Singapore; massive investment in rural infrastructure in Indonesia; and credit and export guarantee programs for small and medium-size enterprises in Taiwan (China), and since the 1980s in Korea (where the shares of small and medium-size enterprises in manufacturing employment and value added had risen to 51 and 35 percent, respectively, by 1988).

In addition, these countries avoided the false conflation of social policy with labor policy and worker entitlements. In Korea and Singapore, and to some extent in Malaysia, the government actively managed the labor movement to suppress radical political activity, and in Thailand and Indonesia labor unions were routinely suppressed out of fear of communism. As a result of rapid growth and rising productivity, wages rose, generally in line with market forces, but not ahead of market forces. The governments did not allow the mechanisms that elsewhere permitted a group of privileged workers in the formal sector labor force to reap huge rents through unionized pressure or interest group politics to be created. This suppression of labor rights had high costs, of course, in terms of loss of human rights. The lesson is not necessarily that such rights should be suppressed, but that wages above market rates, need to be avoided if the benefits of growth are to be broadly shared.

Three aspects of shared growth in East Asia seem to have been key: first, that there was active management (usually to supplement, catalyze, or strengthen market forces not to override the market); second, that the emphasis was not on direct transfers, but on improving opportunities (this was not a populist approach); and third, that the distinction was not between the poor and the rest, but between the elites (which elsewhere in the developing world include privileged public sector and public enterprise labor as well as industrialists and large landowners) and the rest. In East Asia, the elites were also attended to, but not to the exclusion of the non-elites.

The programs noted above were not necessarily the core economic ingredients of shared growth, however. Three ingredients of the East
Asian growth experience were fundamental to shared growth and the rapid reduction in poverty: a relatively level playing field for agriculture, an export push that created high demand for labor, and a universalist approach to public social and infrastructure investments.

In the fast-growing economies of East Asia direct and indirect taxation on agriculture has been lower than elsewhere in the developing world. In the last three decades, many governments in other regions favored manufacturing and hurt agriculture by overvaluing their currencies and protecting domestic industries that manufactured agricultural inputs and the goods rural households purchased. The exchange rate that resulted from restrictions on manufactured imports reduced the domestic currency proceeds of agricultural exports. Industrial taxation acted as a hidden tax on agriculture, raising the price of agricultural inputs to subsidize industry. Figure 1 compares the taxation of agriculture in selected East Asian countries. Taxation has been higher for three decades in Pakistan, the Philippines, and Sri Lanka than in Korea (where agriculture is now protected) or Malaysia. Thailand’s level of agricultural taxation was relatively high in the 1960s and 1970s, but was reduced in the 1980s, while taxation in the Philippines rose.

Low taxation of agriculture has been associated with high growth. If we compare agricultural growth rates across regions for the period 1965 to 1988, we find that agricultural income and productivity have grown fastest in East Asia, one percentage point or more every year for twenty-five years, than in other regions. Increases in productivity contributed to and reinforced relatively slower rates of growth of employment in agriculture, as workers moved into even more rapidly expanding manufacturing and other employment. Other factors, of course, also contributed to success in agriculture in East Asia, but the policy of not penalizing the farmers was clearly key.

The second key ingredient of shared growth was East Asia’s export push. Complemented by the rapid growth of agricultural output, the export push meant the demand for labor was high, the result not only of rapid growth of agriculture and manufacturing, but of relatively labor-intensive growth. The export push strategy, including use of the exchange rate as a commercial tool and the need for global competitiveness, reinforced the tendency to rely heavily on labor, the most plentiful factor of production, and to minimize the antilabor bias associated with protecting capital-intensive industries. Equally important for shared growth, demand for unskilled labor has been relatively high, in Korea in the earlier decades, and more recently in Malaysia and now in Indonesia and Thailand. Combined with a rapidly increasing supply of skilled labor, and hurt agriculture by overvaluing their currencies and protecting domestic industries that manufactured agricultural inputs and the goods rural households purchased. The exchange rate that resulted from restrictions on manufactured imports reduced the domestic currency proceeds of agricultural exports. Industrial taxation acted as a hidden tax on agriculture, raising the price of agricultural inputs to subsidize industry. Figure 1 compares the taxation of agriculture in selected East Asian countries. Taxation has been higher for three decades in Pakistan, the Philippines, and Sri Lanka than in Korea (where agriculture is now protected) or Malaysia. Thailand’s level of agricultural taxation was relatively high in the 1960s and 1970s, but was reduced in the 1980s, while taxation in the Philippines rose.

Low taxation of agriculture has been associated with high growth. If we compare agricultural growth rates across regions for the period 1965 to 1988, we find that agricultural income and productivity have grown fastest in East Asia, one percentage point or more every year for twenty-five years, than in other regions. Increases in productivity contributed to and reinforced relatively slower rates of growth of employment in agriculture, as workers moved into even more rapidly expanding manufacturing and other employment. Other factors, of course, also contributed to success in agriculture in East Asia, but the policy of not penalizing the farmers was clearly key.

The second key ingredient of shared growth was East Asia’s export push. Complemented by the rapid growth of agricultural output, the export push meant the demand for labor was high, the result not only of rapid growth of agriculture and manufacturing, but of relatively labor-intensive growth. The export push strategy, including use of the exchange rate as a commercial tool and the need for global competitiveness,
labor brought about by a rapid expansion of education, the result has been a relatively small wage gap between skilled and unskilled labor, which in itself contributed to a better distribution of income and a greater sense of shared growth.

Finally, East Asia is noteworthy for its universalist or saturation approach to public investment in infrastructure and in basic social programs. Table 1 shows the much lower disparity in public investments in water and sanitation between rural and urban areas in East Asia compared to other regions (top panel) and the smaller differences in access to electricity (bottom panel). This lack of urban bias is an excellent proxy for the universalist emphasis in East Asia. In the case of electricity we can compare Thailand, which in 1984 had 78 percent of its urban population and 40 percent of its rural population benefiting from electricity with Brazil, which in 1981 had more than 95 percent of its urban population benefiting from electricity, but less than 20 percent of its rural population.

Also extraordinary has been the emphasis on education and health services. In the face of scarce resources, the universalist emphasis induced gov-

Table 1. Comparison of rural and urban public investment, selected economies and years

<table>
<thead>
<tr>
<th>Rural-urban disparities in access to services, 1987-90</th>
<th>100 = rural-urban parity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Water</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>54</td>
</tr>
<tr>
<td>Thailand</td>
<td>126</td>
</tr>
<tr>
<td>Indonesia</td>
<td>168</td>
</tr>
<tr>
<td>Other Asian countries</td>
<td>65</td>
</tr>
<tr>
<td>Latin America</td>
<td>58</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of population served by electricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
</tr>
<tr>
<td>Indonesia, 1984</td>
</tr>
<tr>
<td>Malaysia, 1983</td>
</tr>
<tr>
<td>Thailand, 1984</td>
</tr>
<tr>
<td>Other Asian countries</td>
</tr>
<tr>
<td>Bangladesh, 1981</td>
</tr>
<tr>
<td>India, 1981</td>
</tr>
<tr>
<td>Sri Lanka, 1982</td>
</tr>
<tr>
<td>Latin America</td>
</tr>
<tr>
<td>Argentina, 1982</td>
</tr>
<tr>
<td>Bolivia, 1981</td>
</tr>
<tr>
<td>Brazil, 1981</td>
</tr>
<tr>
<td>East and West Africa</td>
</tr>
<tr>
<td>Côte d'Ivoire, 1981</td>
</tr>
<tr>
<td>Liberia, 1982</td>
</tr>
<tr>
<td>Senegal, 1982</td>
</tr>
</tbody>
</table>


Structural Adjustment Can Reduce Poverty

Let me go to my second point, about the benefits of structural adjustment for reducing poverty. For many countries a period of structural adjustment is a necessary first step on the path toward economic growth. People often hold this adjustment, associated with recession and cuts in public social sector spending, responsible for expanding and worsening conditions of poverty. However, we must ask whether or not the poor would have benefited from less adjustment. The answer is almost certainly not. In Lima, Peru, the poor suffered disproportionately between 1985 and 1990, when President Garcia attempted to reactivate the economy by stimulating consumer demand, raising minimum wages, reducing taxes, and postponing external debt payments.
After an initial spurt of growth, the lack of adjustment led to an estimated 55 percent decline in average consumption, and a 60 percent decline among the poorest 20 percent of households. Poverty increased from less than 1 percent of the population to more than 17 percent.3

In Latin America throughout much of the 1980s, lack of adjustment was associated with high and rising inflation. While inflation stabilization usually means more unemployment and lower real wages in the short run, accelerating inflation also reduces real wages and increases poverty. Using data for 1977 to 1989 for seven Latin American countries, Cardoso found that real wages fell by about 14 percent when inflation doubled.4 She concludes that while there were years in which real wages declined in response to stabilization policy, the decline caused by a lack of policy and the resulting high inflation totally dominated the scene between 1977 and 1989. This is particularly significant given the findings of Morley and Alvarez.5 In their study of the 1989 recession in Argentina, they conclude that the decline in real wages caused by inflation was one of the most significant contributors (much more so than unemployment) to the rise in poverty during this period. Similarly, in a subsequent study of Brazil, Cardoso reports that real wage losses in the 1980s hurt all groups including the poor (they hurt the middle class the most), and that increases in the minimum wage worsened inequality, probably by reducing formal sector employment.6 By reducing the rapid inflation that erodes real wages, adjustment policies may actually prevent a worsening of poverty and hunger.

Lack of adjustment is also associated with import substitution facilitated by trade protection and overvalued exchange rates. The combination tends to lead to capital-intensive industrialization, which limits labor demand and weakens the incentives for the productivity gains that help drive up wages. If labor demand is weak, there is little hope for improvements in employment or the wages of the poor. As I mentioned in invoking the experience of East Asia, growth in labor demand is a critical component of shared growth that benefits all groups.

Unfortunately the best evidence for the effects of lack of adjustment on the poor and on poverty and hunger comes from Africa. Africa’s poor growth performance in the 1980s and the failure to reduce poverty were caused by many factors, including severe terms of trade shocks and low initial levels of human capital. However, lack of adjustment also played a role: exchange rates were consistently overvalued (in countries with flexible rates), resulting in high black market premiums, and trade regimes were highly distorted with high nontariff barriers (see figures 2 and 3). High black market premiums reflect governments’ efforts to defend overvalued exchange rates by restricting access to foreign exchange. It was the poor who suffered the most from resulting higher parallel market prices for imported goods and from lack of access to highly rationed investment and consumer goods.

Of course, structural adjustment is almost always recessionary in the short run, implying

---

**Figure 2. Premium on the parallel market**

*for foreign exchange, 1974–91*

<table>
<thead>
<tr>
<th>Adjustment period</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974–80</td>
<td></td>
</tr>
<tr>
<td>1981–86</td>
<td></td>
</tr>
<tr>
<td>1987–91</td>
<td></td>
</tr>
</tbody>
</table>

- Sub-Saharan adjusting countries with flexible exchange rates
- Twenty-six other adjusting countries

Note: The premium is calculated as the parallel market exchange rate minus the official exchange rate (in domestic currency at the end of the period), multiplied by 100.

Source: International Currency Analysis, Inc. and International Monetary Fund data.

---

**Figure 3. Outward orientation of selected country groups, 1965–85**

- High-performing Asian economies
- South Asia
- Latin America and the Caribbean
- Middle East and North Africa
- Sub-Saharan Africa

Note: A high score corresponds to more outward orientation.

employment and wage declines and reductions in public services. The poor may be affected by these changes, and even if they are affected proportionately less than other groups, they can least afford any losses. However, initial conditions in the world’s poorest countries, where chronic hunger is great, and the nature of adjustments needed in those countries imply that the poor lose relatively less than we might think, and can have offsetting gains as a result of adjustment reforms. Let me suggest at least four ways in which adjustment can help the poor.

First, adjustment policies, especially devaluation and real depreciation of the exchange rate, raise the producer price of agricultural tradables. Among economies with the largest numbers of poor and hungry are those with large agricultural sectors producing tradables, and within economies, many of the poorest households are in the agricultural sector. Morley of the Inter-American Development Bank points out that although recessions in Latin America hurt the poor, in at least one case, Venezuela from 1981 to 1986, rural poverty declined during a recession, and that during the adjustment-led recoveries the decline in rural poverty has generally been greater than the decline in urban poverty (p. 12). They also note that in Costa Rica, even though per capita income in 1987 was still below its preadjustment 1980 level, poverty had declined because the rural poor gained from adjustment reforms.

Second, elimination of subsidies to owners of capital through directed credit programs and through preferential access to rationed foreign exchange means the poor may gain access to services and goods they could not obtain, and may enjoy lower prices for those services and goods. In Africa, where rationing was most severe, the urban poor benefited quickly from the elimination of such subsidies.

Third, stabilization and adjustment reduce inflation, which, as I mentioned earlier, is associated with declining real wages, and especially hits the urban poor.

Fourth, in Africa, deregulation of the public sector monopolies of marketing boards raised rural incomes by eliminating the large taxes on producers extracted by the marketing boards. At the same time, consumer prices of food staples have not necessarily risen, because limited supply kept parallel market prices so high in the preadjustment period. In Tanzania, real consumer prices for maize, rice, and beans all fell sharply between 1985 and 1987, when food crop marketing was first being liberalized, and even in 1992 were below the levels of the early 1980s. At the same time, the rural poor—the poorest in most countries and the most likely to suffer from chronic hunger—are relatively insulated from rises in the official prices of some consumer goods following depreciations, if only because they often rely heavily on nontraded food goods for their own consumption and because they had no access to cheap, but rationed, food imports before.

Finally, one effect of adjustment, often decried, is probably neutral in its effects on the poor. Cutbacks in spending on social programs do not hurt the poor, at least in the poorest economies, for a simple reason: the poor benefited relatively little from them in the first place.

None of this is to say that we should be sanguine about the design of adjustment programs. Adjustment programs can and should be better designed so as to maximize their effects in reducing poverty. Where general food and energy subsidies are cut, the resulting fiscal resources can at least in part be directed toward targeted food programs for the poor. Where social sector spending is cut, the cuts should come from reductions in the types of social services that benefit the rich, and from reductions of redundant and politicized employment rather than from reductions in expenditures on drugs, fuel, books, and the other complementary inputs that ensure adequate quality for the poor and others. More emphasis on reducing deficits by enforcing broadly based and progressive taxes and by eliminating exemptions and loopholes that favor elites and less emphasis on cutting public investment in rural roads and schools is clearly in order.

These aspects of better design imply strengthening the adjustment process, not weakening it. Think of adjustment as a difficult political and social process of taking away privileges enjoyed by the elite, such as special access to economic favors and to social subsidies. In this light, better design of adjustment simply becomes another aspect of what I have called shared growth.
Transfers Cannot Substitute for Shared Growth and Adjustment

Finally, I come to my third point. During the adjustment process, transfers and other compensatory programs to redistribute income to the poor can also make sense and should certainly be tried, especially because even a small drop in income during a recession can take the poor across the line into chronic hunger. However, transfers, targeted employment, and other short-run safety net programs cannot substitute for a political shift to shared growth and the development of a new social and political consensus. In the short run, such programs are easy to mount because they do not require contesting the economic position of the elites, especially given that international resources can usually be galvanized for these attractive clearly pro-poor programs. (In fact they are not easy to mount all that quickly. However, without a new consensus, widely shared, they will be difficult to sustain fiscally, and thus politically, and to the extent they compete with scarce local administrative, technical, and political resources for implementing more universal programs, they present some tradeoff for those concerned with a frontal attack on the causes of poverty.

Conclusion

Let me conclude by restating my main objective: to convince you that you cannot ignore the need for economic and adjustment reforms if you want to eliminate hunger. Transfers and targeted programs can help, but they are not a substitute for the fundamental challenge of developing a new consensus around the idea of shared growth and the need for structural adjustment.

Reasonable people with reasonable skepticism will ask: how can we propagate the idea of shared growth in settings where it hasn't taken hold? After all, in East Asia, shared growth emerged as a reaction to specific events after the war.

I don't pretend it is an easy task, but I do see reasons for optimism. In Latin America, for example, the recent efforts of government leaders in Chile, Costa Rica, Mexico, and Peru represent the beginnings of a new consensus about the need to ensure that all groups benefit from growth. To build on those efforts and to extend them to other regions, the international financial institutions can focus more on the need to develop some social consensus. A technocratic approach is not enough. And community and nongovernmental organization groups can focus more on the reality that economic reforms, including structural adjustment reforms, are politically difficult to undertake precisely because they take away the elites' privileges, and recognizing this, might take up anew the mandate to represent the interests of the poor in pushing for such reforms precisely because the poor stand to gain from them.

Notes

1. The views expressed here do not necessarily reflect those of the Inter-American Development Bank or of its members. A note on which these remarks are based, including technical references and sources, is available from the author.


As Dr. Birdsall has pointed out, high growth rates are not enough to tackle poverty and hunger. In 1993 a greater percentage of the population of Latin America is struggling with hunger and misery than in 1980, despite the claims by the governments and by multilateral institutions that the right policies are in place. We have countries like Venezuela, in which rates of annual growth of the gross domestic product of 9 percent do nothing to alleviate the poverty of the majority of the population.

We can no longer bear with this increase of misery and social degradation. This is why civil society is mobilizing, through its institutions and organizations, to take care of the problems that governments are unable or unwilling to tackle. The World Bank’s poverty alleviation programs do not attack hunger at its roots. Rather, World Bank-supported macroeconomic policies tend to polarize our societies by concentrating income and resources in the hands of the few, and narrowing economic and social opportunities for the poor.

Social development programs compensate for the damage done by structural adjustment only to a very limited extent. Civil society cannot and will not remain idle in the face of widespread hunger, and yet hunger is not the only challenge we face. We must also grapple with the monolithic nature of World Bank policies and operational procedures, which serve to shut down the voices of civil society.

A strategy by civil society to combat hunger is not merely an issue of economic policy. It is above all a political issue. NGOs and other organizations of civil society cannot afford to deal only with social policy, while the economic and political elites, the establishment, make all major decisions about macroeconomic policy. It has been said, and it cannot be repeated enough, that a good social policy starts with a sound economic policy, and our definition of the latter is one that benefits all groups of society, not only those that have political clout or economic might. In Latin America four out of every ten people are suffering hunger as we speak. Where are their voices in this debate? The World Bank, despite claims to the contrary, appears to have a laissez-faire attitude toward hunger in the same fashion that a military president of Brazil said in the 1970s, “Brazil is doing fine. It is the people who are doing poorly.”

Let us listen to the people to find out what is really happening and what people really want. The people I work with in peasant communities in rural Mexico want credit, available in a timely manner and in sufficient amounts to enable them to finance their small-scale productive operations. They don’t want charity, they don’t want aid. They want credit. What they actually get is reduced credit for the production of basic goods and basic grains and for regions considered to be less productive, and a preferential targeting of scarce credit funds to agribusiness.

What small farmers want is to stay and work on their land, but they are being forced to migrate to cities, or in the case of Mexico, to the United States, because agribusiness controls not only the land, but the resources needed to make it productive.
People want food security, by which they mean the ability to either purchase or produce the food they need. But under World Bank policies, more and more countries are pushed to increase their agricultural exports while increasing numbers of their people, including their farmers, go hungry.

People want long-term job creation programs and income-generating activities, and they want to earn a decent living from their work. But what they get is so-called poverty alleviation programs, which are often, as in the case of Mexico, controlled by political elites who choose the beneficiaries on partisan grounds and are immune from any democratic means of accountability. They also get wage suppression as a condition for foreign investment. For industrial workers in Latin America, this led to a 35 percent drop in wages between 1980 and 1991, according to the International Labour Organisation.

People want to break out of the cycle of poverty. Instead, poverty is on the rise. In Brazil, the world’s third largest food exporter, where per capita income is now US$3,000 per year, the United Nations says that the number of people living on less than US$1 per day increased by 40 percent during the 1980s. That is why the core of Brazil’s hunger problem is not food supply, but purchasing power.

Let’s go beyond the numbers and look at the human dimension of all this. And remember that these effects are not separate, not discrete. They combine to overwhelm individuals and communities. Let’s take the case of Maria Martinez, an Indian-Mexican woman in the state of Oaxaca in the south. Maria has to work sixteen-hour days while the men of the household go to the United States as migrant laborers, because as small farmers they cannot compete with cheap food imports. She has no voice in local affairs because elections are stolen. She has had to pull her two older girls out of school to help her with her work on the farm. She has no access to credit, to health care, to education. The communal land she lives on and around which her cultural and religious life revolves is now for sale to the highest bidder, thanks to World Bank privatization schemes. Her family can barely survive, and she is one of the 17 million Mexicans that according to World Bank statistics earn less than US$350 per year.

Contrast this with the fortunes of Carlos Slim, whose assets grew by US$1.5 billion thanks to his purchase of Mexico’s state-owned telephone company, which was recently privatized. This amount is roughly equivalent to the 1992 budget for the social investment fund to address the needs of 17 million Mexicans living in misery.

It is because of women like Maria Martinez and men like Carlos Slim that we must not only address the immediate consequences of hunger, but also the urgent need to come up with new development alternatives that, unlike structural adjustment, put up front the needs of millions of unemployed, underemployed, hungry, and landless people in our countries. We are not only talking about the countries of the South. Millions of people are also hungry in Europe and in North America, which also struggle with the enormous contradictions in these societies.

The best development strategy for a given society will be the one that, first and foremost, derives from the population’s expressed needs and priorities. The basic criteria for assessing the soundness of any strategy should be the following. What is its contribution to ending misery and decentralizing power? What is its environmental sustainability? To what extent are governments and multilateral agencies held accountable under this strategy, especially to the poor, who are supposedly the beneficiaries of these policies? This approach implies a direct involvement of small producers, in agriculture, industry, and services, that allows for economies of scale and technological advances to work, while being flexible enough to permit the creativity of each producer to flourish. Strengthening small and medium-size business at the regional level is extremely important, because that is the basis for economic and political decentralization.

Unfortunately, what Josué de Castro said about Brazil fifty years ago—and fifty years is the lifetime of the Bank—-not only remains true today, but applies to an increasing percentage of the population in countries of both the North and the South. He said, “Brazil has a population of insomniacs—those who cannot sleep because they are hungry, and those who stay awake out of fear of those who don’t have anything to eat.”

Hunger is a human, not a technical, drama. It affects us all one way or another. The Bank has to look beyond the statistical characterizations of
poverty and wake up to the call of the poor. There is no reason, no argument, no theory that can justify the persistence of hunger. We are out of time, and we will accept no more excuses. The Bank has to change.

I will now briefly address some of the points Nancy Birdsall raised. I found her approach of shared growth interesting, although it is unfortunate that in my home country we have not been able to witness that. I am being educated about economics in Southeast Asia by friends in the Bank and by friends in the NGO community in that part of the world, but in Mexico, we have not had that kind of growth. In fact, we are having very low growth now, despite pledges and promises that with structural adjustment, which has been ongoing for more than ten years now, we would have higher growth. The rate of growth in Mexico for 1993 is projected at 1.3 percent, and it was supposed to be 6.0 percent to cope with an increasing work force going into the labor market.

We have not had that kind of growth because of three main factors. The first factor is because we have had a deliberate strategy to suppress wages, a deliberate strategy to suppress labor rights—and this came up during the North American Free Trade Agreement (NAFTA) debate—precisely because the Mexican government refused to include labor rights, industrial organization, collective bargaining, and the right to strike in the NAFTA side agreements to lock in the high productivity/low wage model.

The second factor is that we do not have a democratic system in place. We do not have a checks and balances system; we do not have an independent judiciary; we do not have clean, fair elections. So when people are not free to express their will to change the government, little can be done to attain shared growth.

And the third reason is that economic policies have been designed largely, supposedly, to address the issue of poverty and poverty alleviation, but they have fallen far short of most people's needs. We are told that they will mature over time, and that the benefits of adjustment will be found at the end of the road.

When one of the top Mexican bankers was asked, "When do you think the benefits of adjustment from 1982 to 1992 will materialize for the poor?"—we had asked the Bank the same question and Bank staff said maybe five years—this banker said, "Well, maybe twenty-five years."

We have asked the Bank to work with us on this. We wrote a paper, a research report, on structural adjustment in Mexico, and we are discussing it with the Bank. We invited the Bank to go and visit the communities with whom we work in Mexico, and they said, "Fine, we'll go, we'll visit the communities." That was in October. Today, what do I find on my desk? I find a fax from the Bank telling me that well, the Bank missions will visit more communities, but only after close consultation with the Mexican government, and not necessarily through our NGO.

So I put forward the challenge again to the Bank. Are you afraid of facing the poor, face-to-face, in a setting in which you can exchange views about your programs? What is wrong with doing that? What is wrong with talking to the very beneficiaries of your policies?
I find myself in a very awkward position, because being a physician and nutritionist speaking to economists, we are always at a disadvantage. Yet in the world of today we always believe in, and we are trying to push forward, the idea of interdisciplinary approaches, particularly to a problem that affects a lot of people today, and that is the problem of hunger.

A few years ago, with the green revolution, with our knowledge of nutrition, we thought the world would get rid of malnutrition, as we call it technically. But today we are seeing more malnutrition, more starvation, and more deaths from starvation than ever in the world.

The group that met yesterday to discuss macroeconomic reforms came up with about eleven items, but then we decided that we could put them together in fewer visions. The first of them would be the vision that by the year 2000 we will have more participation by people in developing macroeconomic reforms that affect their lives. These people have to be informed to be able to discuss and choose what is best for them, because it is going to affect them. As a physician, I consider this as a sort of informed consent. We have to develop the tools and mechanisms and refine them, instead of denying that it is feasible. Participation should not only be by the poor, but by all sectors of civil society.

Mr. Preston has said that he wants to ensure participation of the poor in the development as well as the implementation of projects. This is a very big statement, and we hope it will be fulfilled.

The second vision is that we would like macroeconomic reforms to be people-centered by the year 2000, with people's well-being, the investment in human beings, measured not only by progress, by economic development, by monetary measures, but by social development criteria. The human development index should include measures of nutritional status. When the United Nations Development Programme has been trying to put forward various indices that could be used for longevity, life expectancy, education criteria, and monetary criteria, but I think nowadays we have to concentrate on nutritional criteria.

The third vision is that by the year 2000 we would like the progress of countries to be measured correctly, taking into consideration natural resources that have been depleted.

The fourth vision is government priorities. We would like to see that the burden of debt is faced, because when governments decide they want to cut back, they usually cut expenditures on health, education, or subsidies of essential foods. We have to reach a consensus as to how much of this could be included or not included in an adjustment program.

The last vision is equity. By the year 2000 we would like to see macroeconomic reforms directed to address gender equity between men and women, inter-regional equity between people and children, and designed so as to create more opportunities for people.

In short, we would like these visions to be covered in our reflections, and I was glad to hear from Dr. Birdsall that some of the visions—at least the first one—were part of her intervention.
The workshop group asked me to highlight areas of agreement and disagreement.

First is the issue of participation. Mr. Preston has called for participation to be the norm in Bank projects, but there is a great silence about participation in macroeconomic reform policies. As it stands now, only a handful of government officials, principally the finance minister of a country, shape economic reforms with the donor institutions. However, our workshop thought that representatives of local communities, unions, farmers, women’s groups, environmentalists, consumers, and so on should have a voice in shaping the economic reforms as well as the projects that shape their destiny.

NGOs generally felt that such participation was vitally important in relation to the transparency and accountability of Bank-funded operations. Many Bank staff felt otherwise. This is puzzling to me. Bread for the World works to shape the United States’ adjustment program every day: its tax policies, its deficit reduction strategies, its fiscal priorities, and so on. Clearly the United States has a richer infrastructure in democratic institutions than, for instance, Mali. But it would seem to be a necessary goal to build the capacity of communities and organizations to shape economic reforms. This can only happen if adequate information about proposed programs is available to them. Currently, information is not generally available to the people or to the representatives of all the stakeholders.

Information should also be made available to government ministries—other than the finance ministry—in a way that ensures that they have a role in shaping policies that benefit poor and hungry people and protect the environment. The resources of other donor agencies with a strong knowledge of and experience in reducing poverty and hunger, such as the United Nations Children’s Fund and the United Nations Development Fund for Women, should regularly be called upon. I understand that this is not currently the case.

The second issue is equity. Our recommendation is that the Bank and borrowing country governments do more than minimize the adverse effects of adjustment by integrating relief measures, which are often too little too late, into reform packages. The Bank and governments should ensure that poor people, especially women, benefit.

Although economic growth is important for the reduction of poverty and hunger, the nature and pattern of growth is critical. The Bank and governments should promote a development strategy based on the principle of equity, with a goal of ensuring that the productive capacity of all people is fully realized.

The group was strongly in favor of the following declaration from the International Conference of Nutrition: “Our priority should be to implement people-focused policies and programs that increase access to and control of resources by the urban and rural poor, raise their productive capacities and incomes, and strengthen their capacity to care for themselves.” We want to see Bank policies that do that. Specifically, the Bank needs to emphasize strategies to eliminate gender bias, promote land reform and secure tenancy,
reduce massive income differentials, and give priority to hunger prone groups and regions.

Policy dialogue between governments and civil society and between the Bank and governments should result in adjustment packages proposed to the board that are explicitly designed to invite participation, to meet targets that can be monitored during a specified time frame, and to give feedback to ensure that mid-course corrections are made as necessary to achieve goals. These goals should include human development and quality of life criteria, not just economic criteria.

The third issue is government policies. There was some agreement that progressive taxation policies that are actually implemented should help rectify skewed, unjust patterns of growth and income. The participants also agreed that excessive military expenditures should not be allowed to sap resources that could otherwise be used for investments in people and productive capacity.

Most participants in the workshop agreed that relieving debt is important so that it does not create an unreasonable burden in relation to the size and dynamism of an economy. However, the participants were unable to agree on how to relieve debt, including the growing proportion of multilateral debt. People from developing countries stressed that these heavy burdens make them vulnerable to and too dependent on the conditionality imposed on their governments by the international financial institutions. They also disagreed about the implications of a double standard relating to the enforcement of adjustment conditionality, one standard for rich countries, another for poor countries. For example, the United States, while still the world's largest economy, is the world's largest debtor, has the world's largest military budget, and is the world's largest arms merchant. Like many other powerful economies, the domestic U.S. subsidies, especially agricultural and textile subsidies, and other protectionist policies make for an unequal global playing field.

Bank officials contended that poor countries should continue to liberalize their economies despite the vagaries of external conditions. Many NGOs argued that an emphasis on servicing fickle demand in rich countries must be balanced with the need for self-reliance.

The United States considers the production of certain crops and manufactured goods as essential to its national security, and some NGOs argued that the standard of security should be afforded to developing countries as well.
Floor Discussion

A number of participants commented from the floor; then the speakers responded.

Participants’ Comments

First floor participant: When the World Bank attempts to implement structural adjustment in any country, this is viewed as interfering in the country’s natural sovereignty. This intrusion is tolerated only if the assistance is sufficiently badly needed. Therefore, the Bank should revise the methodology for having the poor participate in discussions with governments so that this becomes standard procedure.

Second floor participant: Carlos Heredia, what country in the world, at any point in time, would you hold up as a model for the type of policy that you were advocating?

Third floor participant: This morning Ismail Serageldin suggested that we keep in mind equity, stability, and participation, and many other speakers raised these same issues. I wonder if we looked not only at equity, but also at stability and participation, whether there would be such a model.

Fourth floor participant: In reference to Carlos Heredia’s statement on structural adjustment, I would point out that a recent study by the United Nations and Mexico’s Department of Statistics shows that poverty declined from 18.8 percent in 1989 to 16.1 percent in 1992. Wages have not been suppressed. Real wages in Mexico increased 30 percent in real terms in the manufacturing sector between 1988 and 1992. The rural sector has declined, largely because it was heavily subsidized, and total credit to the private sector increased by 12 percent in real terms.

Regarding Nancy Birdsall’s point about protection for the private sector, Mexico opened its economy, but left its agricultural sector virtually closed. For example, the price of maize was almost twice the international price until very recently, and this shielded the poor from some of the consequences that rapid opening would have brought about. More recently, the government replaced the price subsidy with an income support scheme, so now Mexico has the best of both worlds in that the rural poor are protected, but at least agriculture has the right incentives.

Finally, the Mexican government is aware of the problems of income distribution, and in recent years expenditures in the social sectors have been increasing faster than any other components in the budget, and according to a recent budget proposal, in 1994 total expenditure in the social sectors will represent more than half of total programmable expenditures.

Speakers’ Responses

Carlos Heredia: I do not hold up any one country as a model to be imitated or to be taken as a blueprint for any other country. What we are advocating is a set of policies that put people first. The way a particular country implements those policies is subject to that country’s particular political and geographic conditions.
In regard to the proportion of the population in Mexico that is living in extreme poverty, according to our case studies and regional statistics, poverty has worsened, even during the last three years. Wages have been and are being suppressed in Mexico. Let me give you an example. Ford Motor Company wanted to increase wages in 1992 over the wage ceiling fixed by the government and strictly enforced. There was a 9 percent wage ceiling, and Ford wanted to raise wages from between 12 and 15 percent. Mexico's secretary of labor called Ford to say that Ford could not go above the wage ceiling.

Now as for the decline in the rural sector, I do not take the rural sector as a whole. I consider the rural sector by looking at small producers and at agribusiness and big producers, and I do see a strong bias in the policies induced by the Bank and those adopted by the Mexican government toward big business, agribusiness, and big producers. I do not think it is acceptable to take overall figures and then say that more money is going into the countryside, so there will be more production and people will benefit. That is not true. We have to look at the aggregate figures for particular subsectors of the rural population and see how they are faring. And I have to say that the statistics have been manipulated in Mexico in such a way that even the Financial Times, which cannot be accused of populism or leftism, came out with an article that stated how unbelievable it is that the Mexican government claims that the unemployment rate in Mexico is 3.3 percent. Not even the people who compile those statistics believe that.

Ismail Serageldin: In connection with the question on equity, sustainability, and participation, the point Carlos Heredia made is important, that even if things may be improving in the aggregate, they may be worsening in certain areas, and there may be pockets that need special attention. It is not acceptable if while many things are improving, for the few or the not so few things continue to be bad, and even less acceptable if they are worsening.

Nancy Birdsall: One of the speakers said that there must be some participation through civic society or civil society in the discussion of economic policy reforms in developing countries. That is something we can all agree with. However, I would see the issue as one not of whether economic reform and adjustment are necessary, but of improving the design of economic reform and adjustment.

If we start from the premise that adjustment takes away privileges the elite enjoy, it is easier for us—both those from nongovernmental organizations (NGOs) and those representing international financial institutions—to arrive at some sense of common vision about the need for and design of these reforms if we are to overcome hunger. For example, where food and energy subsidies are cut because of adjustment programs, let us ensure that the new fiscal resources are targeted to the poor, if necessary, through food supplementation programs. Where social programs are cut, let us ensure that the cuts come from those programs that benefit the rich, and not from the basic education and health services that benefit the poor. Where deficits must be brought down, let us work together to ensure that more of the success in bringing down deficits comes from developing broadly based, progressive taxes that do actually tax the relatively rich, and not only from cutting public investments in schools, roads, and so on that benefit the poor.

Now the question about East Asia. All these countries are not a model for everything. On sustainability, I think we can take heart that many of the countries in East Asia, especially in the last five years, have vigorously adopted programs to deal with natural resource degradation, pollution, and other urban problems, in part because incomes are rising.

On participation, clearly different models exist. We may not believe that the model in East Asia makes sense for other parts of the world. Nevertheless, we have to recognize that the likelihood of people being more involved in both political and economic decisions increases in those countries whose approach is along the lines of what I called shared growth: not taxing agriculture, pushing exports, not closing up economies, and so on.

What I see in countries such as Costa Rica and Chile, and especially and increasingly in Mexico, is an eagerness, and certainly a willingness, on the part of powerful political groups to extend the difficult economic reforms they have undertaken to embrace larger social reform as well. We have
to recognize that shared growth and a social agenda are also extremely difficult from a political point of view, and so these governments can benefit from and need the support of their citizens in a participatory way in changing things. This is where I see tremendous potential for much more constructive dialogue between the multilateral institutions and those of you who are concerned with these vital issues.

Ismail Serageldin: The real answer to the issue of participation by the poor in the design of adjustment programs is not whether a World Bank delegation will somehow go and pick some representatives of poor communities at random from around a country and involve them in negotiations about the money supply or the interest rate, but whether or not the civil society in most developing countries can be strengthened. It is here that we need to take President Masire's words to heart, because he has had remarkable success in Botswana in maintaining an uninterrupted, multiparty, parliamentary democracy that has respect for human rights and pluralism, that is refocusing toward social benefits, and that is achieving universal primary education and reductions in infant mortality; and he stood today before us and said that there has to be a role for NGOs. With leaders like that, with that kind of openness in a country, and with a civil society actively affecting the policies of its government, the voice that will be heard in the debate and the discussion will be a pluralistic voice that will enrich the discussion. We must not set aside the invisible poor, those who are hungry and who have no political voice.
Special Address

The Scope for Public Action to Reduce Chronic Hunger

Ketumile Masire
Our purpose in gathering together here is not simply to talk about ways of reducing global hunger, but to seek consensus on concrete actions that can be taken now that will make a difference. I hope this conference will be a turning point in moving in that direction.

The response to the World Bank's initiative in organizing this gathering—inspired by the example and leadership of Congressman Tony Hall—is heartening. I am encouraged by the active participation in this conference of representatives of so many NGOs that are directly involved in activities aimed at overcoming hunger. Their presence is a further sign of the growing cooperation between international development agencies, governments, and citizens' movements. This could be a powerful coalition.

The task we face is a formidable one, but I am confident that by working together we can make real progress toward our ultimate goal of ensuring that no one, however poor, anywhere in the world goes to bed hungry. Hunger is not just a problem the developing countries face. The hungry are found everywhere—in the North and in the South—and this need not be so. We have enough land and we possess the technology to produce enough food to ensure that everyone has enough to eat. In short, the problem is essentially one of policies and purchasing power. The challenge is to find effective ways to provide households with food and economic security.

I have not come to this meeting as a nutrition expert, or as a food economist, or even as a farmer, although I am one. I am here as a political leader, because I recognize that hunger is not only an economic problem, but is also a political problem.

As we have heard, chronic poverty affects more than a billion people. Perhaps a better term to describe their hunger is as hidden, because it is less obvious than the acute hunger of those suffering from famine, and consequently tends to be a neglected issue. Food is the most basic of our needs. It is regrettable indeed that despite so much affluence in the world, so many people go hungry.

Let me explain what I mean. Other speakers have rightly distinguished between acute hunger caused by short-term emergencies and chronic hunger or long-term "endemic deprivation," to use a term favored by Professor Amartya Sen. Taking the case of acute hunger, I am convinced that there is no famine that we cannot overcome if we have the political will to recognize the onset of famine conditions and to mobilize public and private resources, locally and internationally, to deal with it. We demonstrated this last year in southern Africa when we faced the worst drought in living memory, and overcame it. In South Africa alone, which is the largest producer of food in the region, cereal production fell from about 8.0 million tonnes in a normal year to 2.6 million tonnes. Throughout the region about 18 million people were short of food. Yet no widespread deaths occurred, and in some places children were even better fed than in years of plenty. This was the result of improved food distribution by the famine relief programs mounted in the region.

When Botswana achieved independence in 1966, it was emerging from another terrible drought. Its effects remain embedded in our col-
lective memory. Through cash-for-work programs and targeted feeding for school children, infants, and lactating mothers we managed to avert a disaster. At the height of the drought we were feeding almost one-third of our population. It can be done. It was done.

Not all famine situations are acts of God. Some are man-made, such as those caused by civil wars. Such man-made tragedies derive from political misdirection, and their solution is, by definition, a political one. We, the political leaders, should always resort to peaceful resolution of conflict rather than the violence that is now afflicting the people of Angola, Burundi, Somalia, the Sudan, Bosnia, and Georgia.

The international mechanisms put in place after World War II—the UN system, the Security Council, UN peace-keeping forces, and the High Commission for Refugees—cannot cope with the terrible consequences of the breakdown of civil order occurring within member states.

Today the world faces a crisis that has grown to frightening proportions. The end of the East-West ideological conflict has lessened political controls in some parts of the world, but has also unleashed an outbreak of ethnic conflicts. The UN system was designed to take care of conflicts between states, but that is not the main problem facing the world today. We need new initiatives, new thinking, and a new political commitment to deal more effectively with the civil strife that now threatens all societies. I look forward with keen interest and concern to hearing the proposals that Secretary General Boutros-Ghali may make later today on these matters. However, I am personally convinced that above all else we must seek to strengthen, and not to weaken, the UN system. We must give the secretary general the resources and the full mandate to assist effectively countries that are in domestic turmoil.

Regional organizations have a role to play too. One of the initiatives of the Global Coalition for Africa has been to explore ways to strengthen the role of the Organisation of African Unity in conflict resolution. More active mediation is one possibility. A pan-African mechanism for mobilizing peace-keeping forces is another. The key ingredient for success is imaginative and constructive political leadership. I would like you all to note that as co-chairman of the Global Coalition for Africa, I will continue to dedicate myself to this task that I believe is so important for the future of our continent.

The suffering from famine is deeply etched in our conscience because of the high media attention it is given and because of the large numbers affected. Estimates indicate that at any one time between 40 and 50 million people around the world are affected. Nonetheless, I believe that we should give most time during this conference to discussing ways to lessen chronic hunger, the form of hunger associated with poverty. By that I mean a household’s inability to produce enough food or to obtain the income to buy enough food for the family. Chronic hunger deserves most of our attention because it affects such a vast number of people, and because we seem to have been less able to tackle it. Although it is more deeply entrenched, it is not intractable.

With political determination governments can do vastly more than what is being done today to reduce chronic hunger. We know this is true because countries at the same level of per capita income vary significantly in the proportion of their population that suffers from hunger.

During the 1960s and 1970s Sri Lanka showed us how a developing country could successfully administer a food voucher program that greatly reduced malnutrition throughout its population. Costa Rica has much less malnutrition than its neighbors in Central America. Since 1950 China has also achieved remarkable improvements in nutrition, even though it also suffered the worst famine in human history in the late 1950s. In Africa we can draw similar lessons from the experiences of different countries. Overall, however, the number of people in the world suffering from chronic hunger—roughly one in five—is regrettably high and unnecessarily high. We can and must do a much better job of targeting assistance to those most in need.

At the conclusion of the International Conference on Nutrition in Rome last year, governments committed themselves to preparing national nutrition strategies. It is quite tempting at such international events to make commitments that are no more than declarations on paper, and so many national strategies and action plans are being called for, such as environmental strategies, poverty strategies, sustainable development strategies, AIDS strategies, women-development strategies, health strategies, and
water resource management strategies. Governments risk being overwhelmed. For this reason I fear that the call for a national nutrition strategy may be forgotten. Let us therefore try to focus at this meeting on a few priority areas that governments could act upon and that are more likely to make a real impact on reducing hunger.

Acceptance of the hunger present in our societies is akin to an acceptance of poverty, and in that lies a great danger. We see poverty as a long-term problem that countries will only overcome gradually as development takes place. The danger is that we will treat hunger in the same way, accepting it as a condition of underdevelopment, but that is a mistake. Hungry children become disadvantaged adults with low productivity. This perpetuates the state of underdevelopment. We can break this vicious cycle of poverty by targeting our efforts to reach those most in need.

Some have argued that for poor countries the only way out of the hunger trap is to become self-sufficient in food. Sometimes people even argue that countries that promoted the expansion of cash crops did so at the expense of food crops, and in that way increased the prevalence of hunger. I do not subscribe to those views. In Botswana for years we subsidized production of our staple food crops heavily, even though the farming conditions we face as a semi-arid country are largely not favorable for cultivating food crops or achieving food self-sufficiency on a sustainable basis. The soils are sandy and rainfall is erratic both over time and space. It is for this reason that our policy now is to achieve food security and not food self-sufficiency. The revised policy gives farmers the latitude to produce crops of their choice, including cash crops, depending on the suitability of their land.

This food security policy has three components:

- At the national level we follow our comparative advantage in producing livestock and drought resistant sorghum and other crops such as cowpeas and sunflowers. We finance the importation of food to meet our food deficit by exporting minerals and manufactured products and by promoting tourism.
- At the household level our goal is to ensure that every family has sufficient basic income to buy the food it needs. This means helping the food insecure groups by providing labor-intensive public works programs whereby people can earn a wage; distributing food rations to selected pregnant and lactating mothers, children under five, and those at school; and issuing food coupons to the destitute. This is in addition to our efforts to diversify income and employment opportunities in manufacturing, tourism, and other sectors of the economy.
- We intend to maintain a strategic food grain reserve equal to at least three months of consumption to cover future drought emergencies, which seem to befall us for three or four years in every ten.

Despite these measures, between 10 and 15 percent of the population suffers from malnutrition. That is low for Africa, but not low enough. We recognize that we need to improve the targeting and management of our food programs. I hope some of the priorities identified by the experts here today will help us to achieve this.

I started this address by emphasizing the political dimension of hunger. I recognize that in mounting public programs to combat hunger, difficult political problems must be faced. While I believe that over time the benefits of economic growth do trickle down and that poverty is reduced, as East Asian countries have dramatically demonstrated in the past ten years, it is nonetheless a slow process. If we are to reduce the numbers who are hungry in the short and medium term, we can only do so by transferring income from the better off to those in greatest need.

Charity begins at home, and each country must play its part. My own country spends some US$14 million each year on domestic food programs. The U.S. government, I believe, allocates nearly US$40 billion each year for such programs. However, for the poorest of the developing countries, external aid, especially food aid, is vitally important. The United States has been a major supplier of food and we are grateful to them for that. I am told that the U.S. Congress appropriated US$1.5 billion for food aid in 1993, but that at the same time US$13.5 billion went for military aid. In the post-cold war era, I would hope that these two figures might be reversed. To put these figures in the context of Africa, let me remind you that total external food aid to all of Sub-Saharan Africa is no more than US$1 billion per year.

The domestic food programs are only short-term measures. The ultimate goal, as I have
already stressed, is to raise the incomes of the poor. The challenge for political leaders is to support programs that enhance their citizens' ability to be self-reliant. In developing countries this means supporting programs that include land reform and targeted credit for the poor who can offer no collateral, for example, along the lines pioneered by Grameen Bank in Bangladesh.

Above all we must work harder to overcome the discrimination women face. Regrettably, they and their children constitute the bulk of the hungry. In southern Africa 80 percent of the rural poor are women with no land, no access to credit, and usually no coverage by public services such as agricultural extension.

I believe that a heavy responsibility rests on the shoulders of political leaders to adopt policies that will help the hungry, but governments cannot shoulder this task alone. They need to work with the private sector. In this context, let me underline the importance of well-functioning markets. In developing countries the private sector is generally reluctant to invest in remote and rural areas because of the lack of infrastructure. Governments under such circumstances are forced to establish agricultural marketing parastatals to encourage agricultural development by purchasing and selling produce. For most small farmers this service is necessary for some time until the private sector is fully developed. Unfortunately, experience has shown that such parastatal organizations tend to be inefficient, wasteful, and costly. Thus promoting the development of a strong and competitive private sector by creating a conducive environment for its growth is preferable in the long run. Private voluntary associations and community-based organizations also have a major role to play.

As I said at the beginning, I am delighted to see so many NGOs participating in this conference. The growth of NGOs strengthens civil society and buttresses the growth of democracy. By promoting a participatory approach and actively involving the beneficiaries in hunger programs, NGOs foster sustainable development and self-reliance. They can achieve an impact beyond that of governments. NGOs have a vital role to play that is complementary to the role of government. I am much aware of the important contribution that such organizations have made in providing emergency relief operations in Sub-Saharan Africa. For example, during 1987-90, on average, 20 percent of bilateral cereal food aid to Sub-Saharan Africa was channeled through NGOs. In the case of noncereal food aid, about 30 percent was channeled through NGOs.

The experiences gained from our recent drought have demonstrated that hunger is a multifaceted problem. I am convinced that we have to act proactively to reduce the vulnerability of our populations to food shortages. The imperative need to ensure that no one dies of hunger is a challenge that confronts all humanity. Our ability to meet this challenge will succeed only if we focus our efforts and share responsibilities. The alleviation of poverty is a long-term objective, but the reduction of hunger is an immediate challenge that we must take up and win. Let us all rededicate ourselves to that goal.
Session Three

Targeted Interventions: What Works Best to Reduce Hunger
Left to right, H.E. Sir Ketumile Masire, President of Botswana; H.E. Dr. Boutros Boutros-Ghali, Secretary-General of the United Nations; and Lewis T. Preston, President of the World Bank.
This conference truly represents an opportunity to generate the political will to end hunger. I am here to commit IFAD fully to collaborate in that effort. Today, more than 1 billion human beings are absolutely poor, most of whom live in rural areas, and three-fifths of whom are women. These groups live with hunger as a constant companion, with the threat of famine looming whenever drought or other adverse events occur. Hunger is not the only international problem, but in human terms it is perhaps the largest, and one that represents a major challenge to hopes for a new period of economic expansion and democratic transformation.

Let me offer a simple observation: rich people do not go hungry. The problem of hunger is basically a problem of the inability of a large number of poor people—mostly in developing countries—to command access to sufficient food. The question is, how do we improve that access and make it more secure?

For some the challenge is to increase the overall supply of food. For others it is general economic expansion. However, these sorts of macroeconomic developments are difficult to engineer. While the general expansion of employment and increased global food supplies are good objectives, they are blunt—and slow— instruments for addressing the specific problem of hunger, because seldom do resources intended for general agricultural or rural development reach the poor and the hungry. The impact on hunger of broad-brush support for agricultural development has often been disappointing: the poor and hungry still have little access to land, credit, training, or technology. There are also risks of adverse effects on the poor during the transitional periods of adjustment programs. We must make sure that the poor do not fall through the cracks in the matrix of reform.

To combat hunger, therefore, we have to be more direct in our approach. But trying to deal with hunger as a matter of welfare is simply not financially feasible for most developing countries. IFAD's fifteen years of operational experience in 100 developing countries suggest that the only sustainable response to hunger as a mass phenomenon is to enable smallholder farmers, the landless, and poor rural women to improve their own productive and income-generating capacities. Empowering the poor with the resources necessary to pull themselves out of hunger would not only have a direct impact on hunger, it would also contribute to national growth by increasing the supply of food and other crops and widening the market for manufactures. However, resources are scarce, and to make the maximum impact on hunger we have to ensure that our support has an explicit beneficiary orientation and is as carefully targeted as possible to the hungry to minimize leakages to other groups.

In what follows, I will principally be referring to solutions to chronic poverty. However, IFAD's work in drought-stricken areas shows that the development of more resilient production systems can significantly reduce the impact of natural disasters. Moreover, actions taken during the course of emergency operations can become the seeds of resumed and sustainable development in the future. Working with the World Food
Targeted Interventions: What Works Best to Reduce Hunger

Programme, for example, we have found that food aid provided through targeted food-for-work schemes can be made into a development resource that supplies immediate needs and strengthens future production capacities.

Unfortunately, some misunderstandings about the idea of targeting still exist. Some economic purists believe that targeting represents a misallocation of resources into areas that would not be served under free market conditions because of lower returns. The reality is, however, that in many of the rural areas in which the hungry live and IFAD operates, markets are weak and monopolistic, and sometimes virtually nonexistent. In these circumstances untargeted resources do not necessarily flow to the highest return areas; they tend to flow to the most socially powerful. Apart from market failures, there are also significant government failures, including weak government institutions, that fail to reach the poor and respond to the priorities of the socially powerful. A clear orientation toward poor beneficiaries and effective targeting can foster participatory grassroots institutions through which the poor can express their needs and obtain productive services. Rather than creating distortions, targeting can thus help to overcome institutional failures, both in markets and in governments, in their capacity to reach the poor.

The type of targeting I have in mind involves identifying the specific obstacles the hungry face in raising their incomes and food production and seeking to eliminate these constraints in a sustainable way. Naturally this necessitates better identification of who is hungry and at risk. We also require a better understanding of the underlying causes of why people are hungry. This sort of understanding of the who and the why of hunger leads to a positive type of targeting. One example is credit. Targeted credit using group guarantees to replace collateral requirements that builds, where possible, on traditional informal financial institutions, can sharply reduce transaction costs and offer the poor the means to use purchased inputs to improve their productivity. In IFAD projects we have found that the repayment rates of the poor, especially women, are extremely high. The poor are bankable.

Another powerful form of targeting is to encourage research to emphasize technologies suitable for smallholder farmers and to develop extension systems that respond to their needs. Yet another is a focus on small-scale water conservation and control methods and on the crops and animals poor farmers raise. Other forms of targeting are also important. Apart from food-for-work schemes, employment guarantee schemes and strengthening health, education, and nutrition services in poorer regions have proved effective. In our view targeting means focusing on issues that are of special and unique concern to the poor, which requires both resources and a willingness to give these issues the necessary priority.

Targeting has to be complemented with eliciting the full participation of the intended beneficiaries, offering the hungry the means to choose, and to benefit from, the productive services and institutions they need to change their situation. The beneficiaries' involvement in project design and implementation often lowers the costs of implementation and improves the project's sustainability. In the IFAD-supported Niger project, which we are presenting as a case study, for example, the involvement and contributions of the beneficiaries to development work has lowered the cost of irrigated land in the project to less than US$1,800 per hectare, one of the lowest in the country. Access to small-scale irrigation allows the villagers to produce a highly profitable green pepper crop, with significant and lasting increases in their incomes. In the other case study, the project in Indonesia, the target group has been offered the means for self-reliant development through a group-based credit scheme that has given them access to bank financing. As a result the beneficiaries have increased their incomes by as much as 50 percent in three years. Moreover, an institutional structure for poverty alleviation has been forged that is both cost-effective and sustainable, as well as being capable of country-wide replication.

There is now, I believe, enough experience of effective interventions at the microeconomic level and macroeconomic policy adjustment programs to provide the basis for a coherent approach to the challenge of hunger. It is evident that well-conceived macroeconomic and sectoral policies are of critical importance for underpinning the process of development. We are certainly not saying that they should be abandoned: experience shows that targeted hunger projects have the most sustainable results when developed in a supporting
macroeconomic and sectoral framework. To overcome hunger what we have to ensure is that the function of targeting the poor is performed, that it is adequately funded, and that it is supported by the right policies and programs at the sectoral and macroeconomic levels.

This does not mean, however, that all development institutions should be doing the same thing. Each has accumulated different experiences and has different comparative advantages. Take the example of macroeconomic policy formulation. While many institutions have sought to claim expertise in macroeconomic policy formulation, it is the Bretton Woods institutions that have the operational experience in and practical responsibility for these issues. What is true of macroeconomic programs is also true of targeted hunger eradication projects. Experience in and responsibility for targeting resources to the poor and hungry do make a difference, and we should recognize and build upon this as we organize our campaign against hunger. I would also say that if comparative advantage and experience should better govern the division of labor among multilateral institutions, it should also affect the way we deal with NGOs. NGOs have a unique capability of leading innovation at the local level. They are the pathfinders who seek out means of getting people to participate and test options without huge investments. Professor Yunus’ Grameen Bank in Bangladesh, for instance, is an outstanding example of a local initiative that later could be scaled up into a large, national-level endeavor. We in IFAD are proud that we were among the first to recognize and give outside support to what Professor Yunus is seeking to do.

The general need for a greater focus on the hungry and more cooperation has often been verbally acknowledged. I would like to make a more concrete gesture of intent on the part of IFAD. I am therefore committing IFAD to shifting its resources toward the most direct possible delivery to the poor and hungry. To that end, I am working for IFAD to reduce its own costs in the project development cycle by more than 20 percent next year while maintaining the same level of financial commitment to projects and programs for the hungry and poor. We are also seeking stronger collaboration with other development and financial institutions. During the last decade, the trend in IFAD has been toward a higher and higher percentage of projects initiated by IFAD. This may have been justified for a certain period by the preoccupation of the major international financial institutions with macroeconomic rather than poverty issues. But it is no longer justified. I have instructed my staff to raise significantly the level of collaboration with other multilateral and bilateral development finance institutions in the coming year by every means we can devise.

A proper attack on hunger requires a real partnership to deal with the obstacles the hungry face, principally as producers, for the poor are rarely simply poor, they are poor farmers, poor fishermen, poor herders. And it involves changing our own style. It means reducing the drive by all institutions to seek to address everything, while simultaneously making exaggerated claims to policy uniqueness. It also means moving toward more practical collaboration that really draws on the strengths of each institution.

Talking about targeting and collaboration would not be very useful without referring to the role of the single most important global development institution, the World Bank. The Bank’s commitment to resolving the question of hunger will be decisive, and its sponsorship of this conference is a clear reflection of this commitment. The poverty assessments the Bank is undertaking in a number of countries to identify the causes of poverty is a further indication of that commitment. May I express my hope that these assessments can be made a more collaborative exercise from which all of us could benefit.

We also have to reflect upon what sort of commitment to hunger will make the crucial difference. First, I believe that what we should aim for is not the reduction of hunger, but its elimination. This offers a clear target to aim for, a yardstick by which to measure progress during the coming years. Second, and again reflecting the need for visible and quantifiable commitments, I believe that the World Bank and other multilateral financial institutions should consider earmarking specific and adequate resources for targeted attacks on hunger, funds that are large enough materially to reflect the magnitude of the problem. These funds should be available for supporting the projects and programs of institutions that have demonstrated their ability in the area of targeted and sustainable interventions against hunger. Such institutions could include IFAD and other
development agencies specialized in this area, as well as national institutions, NGOs, and private voluntary organizations.

To remind you of my earlier remark, legitimate universality of concerns does not necessarily imply equal experience in all areas of concern. Experience at the macroeconomic level is not easily and immediately translatable into expertise in local-level, targeted operations. This is why our collaboration must emphasize and draw upon the unique capacities of each of us, and must ensure that the materials are available to make the most of them. This collaboration could be developed in at least three different forms. At present, the volume of resources devoted to overcoming hunger is simply too meager compared to the scale of the problem and the number of the hungry. IFAD, for example, can only finance one project every two or three years even in countries where large numbers of people suffer from chronic hunger. It would be relatively easy and cost-effective to replicate these projects elsewhere in these countries and have two projects a year there instead of one every second year. We all need to use our influence to assure that increased levels of resources are devoted to eliminating hunger.

A second form could involve complementing the sectoral and large-scale infrastructure investments financed by the World Bank and other multilateral financial institutions by having other institutions, like my own, undertake components and activities that link these infrastructure investments to initiatives to reach the poor and hungry at the village and grassroots levels. We and the Bank are looking right now at exactly this kind of collaboration in Armenia. Such a collaborative linkage would give World Bank sectoral investments a greater beneficiary orientation, and thus increase their impact on eliminating hunger.

A third form could involve a sort of subcontracting, if I may put it like that, by the World Bank to institutions that have special experience with participatory efforts to alleviate poverty. Interventions in marginal areas with large numbers of poor, scattered beneficiaries need a simpler, more flexible, and more responsive project cycle to deal with the informal associations and organizations of the poor, the NGOs, and other grassroots institutions. Approaches that are appropriate for large-scale infrastructure projects may not be cost-effective in these areas, and this could provide a strong logic for a subcontracting type of collaboration.

We have all been receiving signals that business as usual is not enough. People are expecting something new and concrete from this conference. I think they want a new and specific focus on the elimination of hunger as a legitimate and separate objective. They want sufficient funds explicitly and separately allocated for this purpose. And they want to see those funds used by those who can use them best for the purpose: "universal" multilaterals, specialized international agencies, NGOs, and national-level institutions, with all of them acting in a mutually supportive fashion.

It is now within our power to satisfy these expectations and make real inroads into hunger, soon. What is needed is the willingness to invest in hunger eradication and to target the hungry, not to the exclusion of everything else, but as part, and an important part, of our regular activities, with quantifiable targets and quantifiable and separate means. This conference hall is far from the world the poor and hungry inhabit, but if we show the commitment to launch a process of concrete programs and collaborative actions, we can translate the rhetoric here into meaningful changes in the daily lives of the hundreds of millions of the world's hungry.
I represent the Advocates for African Food Security, a coalition of more than thirty non-governmental organizations, representatives of United Nations bodies, governments, and intergovernmental organizations working together on the issue of food security, with a special focus on the role of women food workers.

The work of this umbrella group, created in 1986, is built on three targeted interventions. The first one derives from each human being’s basic right to food, but in this case the right to food is not, as usually perceived, a right to receive food passively or a right to be assisted, but rather a right to merit one’s own food. It is an active right that creates a responsibility to its holder and duties to the country and the international community expected to provide an appropriate environment.

The second targeted intervention of my organization focuses on women who are the main food providers, with a world of experience in all the stages of food systems. This intervention entails the recognition and support of women who are involved in food activities so that their productivity will eliminate hunger in their communities. One aspect of the support they need is a reduction of their burdens so that they have enough time to invest in ending hunger in their communities.

The third targeted intervention of the Advocates for African Food Security is the need to understand what we are aiming at and to define food security. Indeed, food security for the advocates means food produced, preserved, processed, stored, and distributed as close as possible to where it is consumed.

This perspective ensures that the index of local food security will be higher than the index of dependency on externally provided food, and the presence of a national strategy ensuring that the right to food is addressed at the highest political and planning levels.

To ensure the implementation of these three targeted interventions, the Advocates for African Food Security have initiated a process with three specific functions: the debate function, the advocacy function, and the need to build anti-hunger structures within the continent of Africa.

The debate function’s objective is to clarify ideas concerning food security and hunger; ensure that major aspects of various definitions and strategies pertinent to these issues are understood at the international, national, and local levels; and that the roles and duties of each group or level are well defined. This is important for negotiation and for planning purposes.

This debate is realized through the Advocates’ yearly symposia and their participation in meetings like this one. The debate function has helped the Advocates to come up with their own definition of food security, which initially was: “food locally produced, processed, and stored, available year after year despite natural or human-made famine.” The debate function also helped us to measure the limitations of our first definition as we recognized that all foods could not be locally produced. This debate also helped to communicate to audiences like this and to individual countries that food is not a woman’s issue, but a community issue that needs to be part of macroeconomic planning, whether it be at the international or country level.
The debate function finally helped to spell out states' internal and external duties, which range from providing land, credit, training, and other executive, legislative, and administrative measures oriented specifically toward the realization of food security, to ensuring that international policies on food do not place people of certain countries in a state of perpetual dependency.

The Advocates' second function is an advocacy function. The widespread concern to overcome hunger has not led to concrete actions. We realize that hungry people, as we have all repeated in this conference, do not have a voice. Our advocacy therefore started at the international negotiating level in 1986 with the negotiation of the United Nations Program of Action for African Economic Recovery and Development, through the LDC Program of Action adopted in Paris in 1990, and lately with the New Agenda for the Development of Africa in the 1990s adopted in 1991. Our involvement in these negotiations was to ensure that resources flowing to Africa will consider food security as one of the priorities in a continent where 168 million of its 650 million inhabitants go hungry.

In this advocacy process we learn that food security strategies are expensive and necessitate important infrastructures, such as storage, research, and so on. We learn to encourage the international community and institutions like the World Bank to address these expensive aspects that African countries cannot yet afford instead of distributing food. We also learn to highlight the danger created by industrial countries that flood African countries with surpluses of their subsidized food, discouraging local production, changing patterns of consumption, and eliminating many possibilities of employment, thereby encouraging migrations.

Building anti-hunger structures in Africa constitutes an action that gives a purpose to the Advocates' debate and advocacy functions. One aspect of this work has been to bring African women food workers to many of the international and national debates. This gives them the opportunity to clarify their own positions; to know what they stand for; and to understand the key role they play, not only in their families and communities, but also at the national and international levels, so that they can comprehend the magnitude of the problem and understand the need to work with others.

Our last three symposia were held in Ghana, Tanzania, and Cameroon. In Ghana (1991), in a village with a deficit of food, the symposium led to women traders getting a vehicle from a rural bank to ensure that instead of spending four weeks searching for food to be sold in the village, they would only use three days. In Tanzania landless women farmers prepared a document for presentation to the local government that explained the importance of the link between food security and land ownership. In so doing they became the voice of the hungry, the advocates within Tanzania. In Cameroon the focus was on the quality of street foods used by the majority of hungry people in urban areas, reminding all of us that food security must, from the beginning, deal with both quantity and quality.

In conclusion, ladies and gentlemen, I will share the following experience with you. When we were asked yesterday to give our vision of food security in the year 2000, my vision was, "that African palaces will eat the food of their land happily, and will make the whole continent feel happy and proud to do the same." I was a little bit destabilized when my neighbor on the right was shocked by my level of unconsciousness, that I could be here at this conference and not understand the urgency of the problem and be incapable of understanding that I needed to contribute three to five words toward a strategy that will work right away. He actually left the group, and I missed him. This event made me think and helped me state something that is very close to my heart: visions are abstractions that are so clear that you can actually touch them. Visions have something a little bit spiritual that generally comes through a long experience of want and hope. It is a dream of a future that is not present and that may never come, but its importance remains.

My plea for all of us hunger activists is that we should spend some time listening to the visions of the hungry. It may help our interventions to be more targeted.
In bringing us together, the World Bank, the largest provider of financial assistance in so many countries, is going to help raise all of our expectations about what might be done to alleviate hunger throughout the world. We certainly all share a common ground and the common purpose of eradicating poverty and hunger.

At so many of these conferences we can talk for hours and days, but what we ultimately have to do, as Mr. Al-Sultan said, is to act together, to act together within the United Nations, within the international financial institutions, through the governments, and with NGOs on behalf of and with hungry people so as to make a difference.

In the United Nations we talk often about how we are working together to develop country strategies. We need to expand that work, not just within the United Nations agencies, but with each government and with the international financial institutions and the NGOs, so that together we can develop our strategies, together we can establish the appropriate directions, and together we can pool our resources to make a difference.

Regarding what works in targeting, we have similar questions at the WFP to those that have already been presented today. Who are the hungry and the poor? Where are they located? How many people are in each location? What kinds of characteristics define these particular people and their needs? And ultimately and most important, what can be done to empower these people and to put them on the path of sustainable improvement in the quality of their lives?

We have noticed several areas concerning targeting in which we could concentrate. One is the criteria. Depending on the nature of the problem, the criteria for intervention can be defined to address either the needs of a particular category of people, for instance, pregnant and lactating women, or people in a particular area afflicted by the same crisis, for instance, victims caught in a war zone.

The second area is the administrative feasibility and costs of targeting. Sometimes the excellent scenarios envisaged by targeted interventions fail because they cannot be administered on a regular and sustainable basis. We must ensure that the basic ability to continue administrative support is present.

The third area is participation by the affected groups: the poor and the hungry. We can overcome many of the difficulties of intervention programs if the poor themselves are involved in their design, in their implementation, in their evaluation.

The final area is the transfer of resources. Any intervention is most likely to attain its objectives when the resource transfer is appropriate and the method of transfer is direct.

Of course, when we talk about targeting, we also talk from the perspective of food aid. Before we can talk about sustainable improvements, sustainable development, sustainable differences in people’s lives on the basis of their own food security, sometimes we have to talk about just helping people to exist from day to day. So many emergencies, almost all man-made, take our resources away. They take away the resources of the donor community and of NGOs because we, as a people, must help people survive, help people live. As a result, we find that many of the
resources that could otherwise be used for long-term sustainable development and for helping people make a difference in their lives are actually used to help feed people in Somalia, especially women and children, because the men are shooting at each other; help feed people in the former Yugoslavia; help sustain people's lives in southern Sudan or in Angola. That is one reason why President Masire's comments about the need for political solutions were so important, and why the commitment of political leaders is so critical to be able to solve these problems.

We can see many successes. We can see successes now in almost all of Somalia, for instance, where the work is now primarily on rehabilitation and development, and where we are making significant strides in helping to improve the country. We see a great success story in the drought that hit southern Africa that could have affected 18 million people. Because of the commitment of the donor community, because of the interaction between the countries in the region, the SADCC, the United Nations, and NGOs we were able to make a significant difference and avoid tragedy in southern Africa. The World Food Programme was pleased and honored to be in a position to be able to coordinate that effort. But even though we are committed to development work, whether it is building schools in El Salvador, providing crops and animals in Somalia, or planting trees in Bangladesh, we still find that we must have a major commitment from the political leadership to make a difference, to end the man-made disasters.

We can concentrate on development if we have peace and stability. If we have peace and stability we can concentrate on the process at hand, helping people help themselves to become self-sufficient and self-reliant, and this is where food aid also becomes critical.

Some of the negatives have been mentioned in this panel and in others, but there are so many positives as well. One of those positives, in addition to the ultimate objective, which is helping people become self-reliant and self-sufficient, is that the donor community—we see this in the United States and in other countries around the world—understand the commitment of food, understand the use of food, understand the transfer of food from a wealthy country to poor people in a poor country, and understand the moral obligation to make that transfer.

Thus food as a resource becomes especially important in development over the long term, whether it is food for work, whether it is for projects that feed vulnerable groups, or whether it is monetization. The use of food becomes critically important in helping to reach those people who are targeted and to help them become self-sufficient over the long run.

I am pleased to note that the WFP puts a high priority on triangular transactions in the purchase of food in developing countries for distribution in developing countries. Having spent more than US$250 million last year, the WFP is the largest purchaser of food for this purpose.

Fawzi Al-Sultan said that the rich do not go hungry. That is true. However, one thing that I have found when I worked on hunger issues in the United States, and now working in the international community, is that even the rich understand hunger. They understand hunger not like someone who is near starvation and not like Congressman Hall after his fast, but even the rich understand what being hungry for a day or two days is like, even if some may not understand what being poor is like. As a result, I believe there is a major commitment among the people in the United States and among the people around the world to help people who are hungry, whether it is people from the United States sending surplus food or people from Bangladesh sending a contribution to the flood victims in the Midwest of the United States. People around the world understand what it is to be hungry.

Thus I think all of us committed to helping to alleviate world hunger have in front of us the great challenge of reaching out to our publics, reaching out to our constituencies in the United States and around the world, and making sure that people understand not just the tragedies that they see on television about Somalia or the former Yugoslavia, but understand that hunger unfortunately affects so many people throughout the world. We must communicate the difference that we can make by increasing our resources, whether they be food resources, cash resources, or people resources, to help alleviate hunger around the world.

Working together with organizations such as the International Fund for Agricultural Development, the World Bank, the NGOs, the governments, and the multilateral institutions we can make a significant difference. We owe the poor and the hungry nothing less than our best.
Workshop Spokesperson Remarks

Christopher Dunford

An intervention can be targeted on those who need it most and also on what works best. On the one hand, we can focus on those most in need, not just the poor, but the poorest of the poor, especially women, those most vulnerable to hunger. On the other hand, we can focus on those actions that are the most cost-effective. We have to ration scarce resources to make sure that we use them effectively for those who need them most.

The imagery of targeted intervention conjures up an image of armed police breaking down the door to round up “the usual suspects.” This kind of aggressive terminology may reflect one of the basic problems of the international development community, our attitude and the way we work with the poor. A better image might be a joint venture between development institutions and those most vulnerable to hunger: the poor, especially poor women and their children.

Some assumptions underlay the workshop’s results. One is that poverty is a fundamental cause of hunger. A second assumption is that the World Bank and other development institutions want to reduce poverty. Echoing Mr. Al-Sultan’s point, let’s not just talk about reducing poverty; let’s talk about eliminating poverty. He used the term hunger, but let’s go even further. And third, perhaps most debatable, is that poverty reduction depends ultimately on long-term, broadly based economic growth that can be sustained by the Earth (a major qualifier). Given that this last assumption is true, there are still other actions by, with, and for the poor that we need to take now to create by the year 2000 a future that we can live with.

The dominant vision that emerged from yesterday’s workshop is participation. It has become a major theme throughout this conference for good reasons. I am talking about participation by those most vulnerable to hunger (I want to emphasize that over and over again) in the design, implementation, and evaluation of programs that respond to these people’s special needs for empowerment: empowerment of the poor, especially women. This can be done through education; increased income and savings; improved nutrition and health, including family planning; and for those with access to land and natural resources, agricultural and natural resources research and extension that supports the food security of the poor, not just a focus on commodities, but on the farming systems of the poor.

Beyond the ideological and ethical reasons for encouraging participation by the poor, there is a practical reason. Programs for the poor work only with the willing involvement of the poor. This willingness comes only when they know that their voices are heard, that their concerns are given consideration at least equal to the concerns of the investors in or donors to programs, and that they are trusted to make decisions that control resources. Trust and control of resources are the biggest problems with participation.

Saying that we know how to foster participation is fashionable; that all that is needed is the will to do it. However, it is not that simple, especially given that we are concerned with hunger. We need participation by the poorest of the poor, who are often marginalized even from the asso-
ciations in their own communities. How do you invoke their participation?

I was really very pleased yesterday, at the close of our workshop, by the comments of the World Bank spokesperson: that the Bank is committed to learning and trying promising techniques for promoting participation by the poor. However, the spokesperson did not mention the fact that during the last two decades the research and development for finding successful techniques has been done mainly by the NGOs. Why do major development institutions not take this experience more seriously? Speaking personally now, I think the reason relates to scale. NGOs have been very effective at encouraging the participation of the poor, even the very poor, in pilot programs that reach a few hundreds or thousands of people, but it is rare to see major-scale involvement of the poor by NGOs. This is why there is so much excitement about the few large-scale examples of micro credit programs, in particular, which are found especially in Asia. The Grameen Bank is only the best known.

One of the things bedeviling the Bank and other major institutions is that they often simply consult people outside the institution and call it participation. You know: we talked to an NGO here, or we talked to an institution there, and that is participation. That is not. We have to be careful to maintain the discipline of sticking to the pursuit of real participation. We can’t be content even to just consult NGOs that are close to the poor. We have to find ways to allow the poorest people to control at least an important part of the program or project resources.

The most general reason to pay heed to the NGOs is that they have a wealth of experience in giving the poor a voice in decision making and in controlling resources. We still have much to learn. We still have a lot of experimentation to do. But the NGOs are for the most part where the research and development is occurring, not in the “puzzle palaces” of New York, Washington, Rome, Geneva, and so on.

Specifically, in support of participation, the workshop recommends three actions for the Bank and other institutions. The first is to create an enabling environment, including the legal, administrative, and policy frameworks, that is aimed at reducing hunger. The second is to delegate control of resources to the targeted groups. The third is to provide training and technical assistance to community-based organizations.

Regarding family income, the workshop participants felt strongly that the World Bank and other major institutions could do a lot to channel more resources to micro credit schemes, particularly through NGOs, which have shown an unusual capacity to manage micro credit schemes for the benefit of the very poor. There should also be a concerted effort to link the poor into the mainstream financial systems at some point in the future. It should not always be the case that a fund is set aside for credit for the poor. Eventually, the poor themselves can and should have direct access to the mainstream financial systems.

The workshop recognized that income is not enough. A family can have adequate food, and some family members can still be malnourished. Many health- and behavior-related problems can cause malnutrition, and therefore need attention. We urge the continued search for delivery systems that work best. Delivery of what? Primary health care, of course, is very important; also maternal and child health care, including reproductive health and family planning; cost-effective nutrition education, not just attached to health programs, but to other programs that deliver financial and education services; micro-nutrient supplementation schemes; and, where needed and as needed, mother and child supplemental feeding; not as temporary programs, but as programs that are always there to help those who get in trouble nutritionally.

Our final point is that even if food production is sufficient now (there has been a lot of talk about how the world has plenty of food), we have to look to the future, locally and internationally. The future is threatened by environmental degradation, degradation of the very resource base that produces food and other commodities. So agricultural and natural resources research and extension needs to be strengthened and focused on the commodities, crops, and farming systems (livelihood systems) of the poor.

In summary, the World Bank, the International Fund for Agricultural Development, the World Food Programme, the Food and Agriculture Organization of the United Nations, the U.S. Agency for International Development, and other major institutions can help reduce poverty, but only to the extent that they can truly believe
that the poor are their clients. The Bank, other
development institutions, and governments are
really supposed to be the fiduciary intermedi-
aries between the investors and donors on the
one hand, and the poor on the other. Investors
and donors are there usually with the support of
government taxpayers of whatever countries are
providing the donations or the investments.
These ordinary people want to see the poor
helped, and it is the job of the Bank and the bor-
rowing governments to see that that is what hap-
pens, that the poor are helped, especially to help
themselves. This objective requires development
institutions to act much the way commercial busi-
nesses do. Getting close to their clients or cus-
tomers is the key to success. The institutions I am
talking about need to be closer to their clients—
the poor—not just the investors and donors.

The NGOs, who have made a serious com-
mitment to getting close, know what a funda-
mental transformation it requires in the way you
do business. We welcome the Bank's commit-
ment and that of other institutions to fighting
hunger, but we know that commitment is only
credible if the Bank accepts that the participation
of the poor is going to involve fundamental
changes in the way it designs, implements, and
evaluates programs and projects. Meaningful
change in this respect involves organizational
pain, and therefore real leadership.

The sovereignty of nations is often given as a
major reason why the Bank and other lending
institutions cannot really make things happen at
the national level. Well, as I've seen it, one of the
most remarkable developments in the last decade
or two is that only invading armies could have
had more impact than the expert missions of the
Bank and the International Monetary Fund. If
you can get national governments to swallow the
need for structural adjustment, you can get them
to accept the need for the poor truly to participate
in their own development. A committed Bank
has an obligation to educate investors and the
borrowing governments, and to take a good dose
of its own medicine: internal structural adjust-
ment. Physician, heal thyself!
Our vision about gender equity recognizes that women are central to realizing the goals of this conference for overcoming global hunger and poverty. We have heard this in extraordinary fashion from every one of the conference speakers. If you noted, this morning the men on the platform made excellent speeches. What was extraordinary, and a change, was that every one of them underlined the importance of women as a natural and essential component for erasing hunger and poverty. That is a change. Men and women are moving in the right direction. Now we are talking words. But perhaps the words at this conference will soon be transformed into actions.

Some of the actions that emerged from the group discussing targeting interventions to reduce hunger included, for both the national and international communities, the design of programs that will help women to overcome constraints, and for the World Bank to give greater attention to women in their economic and sector analysis as well as in their poverty assessments. Women should be an integral part of the programs, not an add-on.

On to the next vision, the empowerment of the poor. All our visions relate to people, their participation, and their resulting empowerment. When we talked about empowerment of the poor, we recognized that providing disadvantaged groups, especially women, with greater access to information and education was imperative. For these disadvantaged groups we determined that this was one of the critical elements that could help people move up out of poverty.

We envisioned a redirection of resources to ensure basic education for all, and to provide gender neutral curricula, including an adequate focus on family planning, health, and nutrition.

When we talk about empowerment, it is the people's participation that is involved. One of the means is through groups such as Ruth Engo-Tjega cited when she talked about the Advocates for African Food Security. This international NGO has worked since 1986, and was initially concerned with lessening the burden for women and increasing food production. It is currently involving people in examining their programs, working toward community-based decisions. It is building antihunger structures in Africa. The programs to alleviate poverty should be community-directed and should start with people finding out what works, what doesn't work, and moving on from there.

The other vision that I would like to talk about is employment, because people are hungry, they are poor, and there just are not enough jobs in the world. In whatever country we visit, there is unemployment and there is underemployment. Let us hope that we can have full employment. That is a goal, a really big goal. We are saying that one of the ways to achieve that is by self-employment, that is, to try to develop cost-effective mechanisms that provide opportunities for the poor to earn more income to reduce their hunger and to move them up and out of poverty by doing it themselves. They help themselves by creating businesses of their own. It is through such self-employment that women pro-
duce much of the food that sustains life for low-income people.

We had two long-term actions to suggest in regard to employment. One was to increase the availability of working capital, training, and technical assistance to the unemployed and underemployed, or, as we might call them “economically active poor.” Another long-term goal was to give greater support to those sectors where the poor are predominately employed and that are often overlooked in programming.

And then a shorter-term goal, which we heard cited earlier today, the focus on food-for-work programs. They do work, sometimes, in the short term. There is a difference of opinion about this.

Ultimately, all people, women and men, should be involved in policy, planning, decision-making, and working. Together they just might be able to stay the course for humanity and make life better for more people, while employing the principles of equity, sustainable development, and democratic participation.
A number of participants commented from the floor; then the speakers responded.

Participants' Comments

First floor participant: It seems as though in the past, there was a certain amount of disagreement about whether or not poverty had actually been alleviated in Mexico or in other places because of World Bank interventions. In this connection, what are the indicators that show that poverty is being alleviated, and how will World Bank lending officers in the field be given the incentives to make the kind of loans that will make a difference for the poorest people? Won't they have to have their whole psychology changed about the kind of loans we need to be making to end poverty?

Second floor participant: Fawzi Al-Sultan said that it is the rich who have food, but even the rich eat potatoes and rice that were grown from soil, not from fields of dollars. Because of the economic focus of this conference, we have thus far largely ignored environmental problems associated with agriculture that are now beginning to threaten our food supply, such as erosion, desertification, salinization, deforestation, overgrazing, and the depletion of aquifers. Also of concern are monocropping and diminishing genetic resources, as well as the abuse of chemical fertilizers and pesticides, and potentially catastrophic are the as yet unknown effects of the destruction of the ozone layer and global warming. These trends are all exacerbated by agribusiness-oriented, capital-intensive programs frequently pushed by multilateral aid institutions such as the World Bank. Unless these institutions are willing to change their approach to agriculture to a more sustainable one, we cannot share the World Bank's assurances that the food supply will always keep up with population. Mr. Al-Sultan, in the vein of what you said about business as usual not being enough, do you believe that IFAD and the Bretton Woods institutions are willing to work with NGOs in combating hunger by promoting sustainable agriculture?

Third floor participant: In the late 1970s, targeting assistance to the poor was a principal focus of attention. In 1978, half of the resources from the IDB's Fifth Replenishment were supposed to be targeted to help the poor in Latin America. In 1981 Congress enacted legislation that urged the World Bank and the other multilateral development institutions to emulate the stated objective of the IDB by putting half of their resources into helping people who were absolutely or relatively poor. After 1981 other issues were emphasized. Are we now going back and picking up where we left off, and essentially dropping this whole twelve years or so of emphasizing economic policy reform in borrower countries, or is this something we are now factoring in as we are trying to target assistance to the poor? Do we look at economic policy reform as limiting our capacity to target assistance to the poor, or is it another factor that we keep in mind as we try to target assistance?

Speakers' Responses

Caio Koch-Weser: The first question was about the indicators on which we can base the argument that poverty has been alleviated. The pic-
ture is mixed. In some countries poverty has clearly been alleviated and poverty indices reduced. In other countries the situation is much less clear. We could even argue that the crisis of adjustment in many countries in the 1980s led to a demonstrable increase in the incidence of poverty.

When it comes to measuring how we have done, in a number of countries, Morocco, for example, we have established, together with governments, careful systems of household surveying, of measuring living standards, that give us a much better idea of the incidence of poverty than we had some years ago. These measurements show that in Morocco, ten years of successful reform and adjustment, which had its social costs, have reduced the incidence of poverty from 21 to 13 percent. In some other countries, Egypt, for example, the situation is much less clear. However, we also have to ask ourselves what would have happened if no reform policies had been introduced. We have to do much more work on measuring poverty, on having benchmarks, and on having governments accept them, but overall we are on the right track.

As to how committed to poverty reduction Bank field officers are, and can we really expect them to do a good job unless attitudes change, I believe that the vast majority of Bank staff is truly committed to the Bank's central objective, which is to red't poverty. How to achieve that is a much more complex issue. I would point to one important area here, the training and sensitization that takes place in the Bank across departments and across regions based on years of experience, so that we learn, say, what China has done or what Morocco has done for the Egyptian case or the Yemeni case. This cross-fertilization, training, and sensitization needs further strengthening. We are not doing enough yet, but we are doing it.

Fawzi Al-Sultan: IFAD's projects are essentially at the level of the poor beneficiaries. Sustainability is the key element in project design. Let me give you a couple of examples. One is the highlands in Central America, where the predominant technique of the poor is to slash and burn to get access to more land so they can feed themselves. The land has very low productivity. This is a major environmental disaster that takes place on a daily basis. What we first have to do is to teach the poor new techniques of intensive agriculture that use natural fertilizers. We have to teach them terracing, which is a form of more intensive agriculture. We have to do research on the varieties of the foods that the poor grow and eat. There is also intercropping. In Nigeria, for instance, we are growing cassava with coffee, and in the highlands they have been growing plantains with coffee and some other crops. So at this stage we should focus on this type of sustainability, particularly using techniques similar to what the farmers already know and understand, while at the same time trying to solve the problems of environmental degradation.

Fundamental to almost all IFAD's projects is research that goes into the types of crops that people grow. To take Nigeria as an example, cassava was a small investment, less than US$1 million. We were able to develop a variety of cassava that produced almost three times as much. Almost overnight we had a food that made almost every poor home self-sufficient in the basic crops that the family ate, and families even had surpluses.

Another issue is that you need resources. We can only go so far at the basic beneficiary level with the resources that we have. When we talk about participation, that is not talking to governments. It is talking to the beneficiaries, forming groups in much the same way Grameen Bank has been doing. We get the women together, we get the men together, and we understand from them what they want.

One constraint that we have in common with almost every multilateral organization is that we have to work through governments. We would all like to be able to deal directly with the beneficiary groups, but then you cannot really complete projects in the sense that you have to have infrastructure, for which you have to talk to the government.

Participants' Comments

Fourth floor participant: We speak of the poor and the very poor and the poorest. We have to be aware that if we do not have the specific will to reach the poorest, we will not reach them. Most of our programs often not only do not reach the poorest, but contribute to increasing the gap between the poorest and the rest.

My second comment is about women. It is true that women are central for overcoming hunger,
Flower Discussion

It is central for overcoming poverty, but it is not always true to say that women are the poorest, or that we can work with women and this is almost enough. Just look around Washington, D.C., look around this country. Who is in the street? Who is in jail? It is not the women. It is the men. This is not unique to the United States. It is something you find in many countries. We need to work with families, and we need to work with women in a way that will not reinforce the breakdown of families and the disappearance of the men.

Fifth floor participant: I am encouraged that the WFP is beginning to take a more integrated approach to food, agriculture, and long-term development. However, I found one comment disturbing, and that was that it seemed to be alright to rely on wealthy nations to send food as food aid. The problem with this is that it feeds into a system of chemically-intensive overproduction in the United States and Europe that destroys small farmers, rural communities, and the environment. Some sustainable agriculture and farmers' groups around the world are beginning to look at alternative ways to provide what is clearly needed in terms of food aid. This gets back to food security being based on food produced, processed, and stored as close as possible to where it is consumed, and this also applies to food aid. So I wonder to what extent the WFP is looking at ways of not necessarily providing food aid from wealthy countries, but from neighboring countries or regionally. Is it examining the possibility of international grain reserves that would be used only for humanitarian aid, and to which all countries could contribute, thereby eliminating the justification for overproduction?

Speaker's Response

Catherine Bertini: The food aid that we provide is provided primarily, but not exclusively, by the wealthy donor countries. Contributions come in from around the world. The major donors, like the United States, the European Community, Australia, Japan, Canada, and others, contribute either food or cash or both depending on the situation in their country, and naturally domestic priorities, politics, and interests in the donor countries govern what kind of aid they contribute. We and others are given the surpluses sometimes, but the United States and other countries also make a conscious effort to make specific budgeted pledges to help the poor throughout the world.

Some countries give primarily cash. Japan, for instance, which does not have a food surplus, purchases food. Some countries like Sweden have gone much more to giving cash, which we use to buy food. The WFP is the largest purchaser of food for triangular transactions in the world. Last year we spent US$200 million buying food in developing countries for distribution in developing countries.

For all of us in this business it is important to try to ensure that food is not used either to keep people dependent or to disrupt the local marketplace. Sometimes the wrong kind of food or too much food gets to a place, but it is critical for us in such situations to move the food, to make a difference, rather than just keeping an earlier commitment that might now actually be harmful to the local economy.

To sum up, we are strongly committed to helping to improve the local economy in the country we are attempting to help. Our absolute priority is to help people become self-sufficient and self-reliant. We want to use food as a tool, whether it is food that is contributed by donor countries or whether it is food we have purchased for consumption in the developing country.

Participant's Comment

Sixth floor participant: Fawzi Al-Sultan said that IFAD, as a multilateral agency, has to work with governments, but you also said that IFAD discusses projects from the beginning with the potential beneficiaries. You have also worked in the World Bank. Can you offer the Bank some suggestions? The Bank seems to have difficulty in getting into dialogue with beneficiaries.

Speaker's Response

Fawzi Al-Sultan: Earlier we outlined different approaches whereby the Bank could move closer to beneficiaries. One of them is where you replicate an activity that has already worked. This can be done quickly. A second is subcontracting, working through NGOs. The key is how to change the way we do business, not just ear-
marking more resources, but using a much simpler project cycle.

Caio Koch-Weser: As Fawzi Al-Sultan has pointed out, there is no tradeoff between sound macroeconomic policies and adjustment on the one hand, and well-designed, targeted interventions on the other. Good macroeconomic policies will also produce the robust growth that gives asset and income distribution and redistribution a better chance. These are complementary actions, not alternatives.

We have heard a call for renewed political commitment on all sides, recipients and donors, to a food security vision and concept for the future, and we have discussed participatory approaches that stress empowerment, particularly of women. These participatory approaches are a necessary, though not a sufficient, condition. By participation we must mean not just hearing and consulting, but, as the NGO representatives pointed out, we must trust local communities and recipients to make decisions about the use of resources. We now have an opportunity for joint complementary action guided by a vision of food security, a coherent approach based on complementarity, on the relative strengths of the various actors, and on division of labor.

A number of people have suggested that the Bank, IFAD, and some other international financial institutions should do business differently, become committed to learning the techniques appropriate for participation, not just consultation. The poor have to become our real clients. This requires establishing the legal and policy environment for participation, delegating local control of resources to community-based organizations, having components in our lending addressed to women that are not just add-ons, and encouraging self-employment by providing working capital and training in a cost-effective manner.
Session Four

Lessons of Experience
Lessons of Experience

Muhammad Yunus

It has been a memorable experience to participate in this conference. I have been feeling outraged by the behavior of the financial institutions around the world for the past many years. Coming here, hearing the Bank's vice president Dr. Ismail Serageldin saying on behalf of the Bank that the Bank is feeling outraged by the poverty situation that exists in the world, for the first time I felt slightly relieved about my own outrage.

Now that this outrage is felt at the flagship of all financial institutions in the world, I am hoping that something will happen to change the existing situation. Financial institutions have treated the poor with complacency and with indifference. They have continued to operate with a caste system that they created for mankind, categorizing the poor as untouchables. Of course, instead of using a rude word like "untouchables," in their polite language they describe the poor as "not being creditworthy." Now, if an outrage is felt in the World Bank, and that is translated into action in outrageously unconventional ways, maybe the caste system will be forced out of existence.

Coming to this conference, I feel like I am in a dream hearing the Bank talking about "conscience," not internal rates of return, not all those numbers, but "conscience." I hope conscience has been firmly installed in the Bank, and that conscience is at the driver's seat at the Bank. I hope Congressman Tony Hall will not have to repeat his hunger fast again next year to convene another conference to talk about poverty.

I was invited to talk about Grameen Bank. While doing that, I end up talking about both Grameen Bank and the World Bank. Remarks I have been making about the World Bank and the way it does its business may make my friends at the World Bank feel very unhappy. This would not surprise me at all, because that's the same way we have been feeling about the World Bank, too. But we can work together, we can take joint action to work out of the unhappiness on both sides and get the job done. The big job before us is the creation of a planet totally free from poverty. This can be done if we work together single-mindedly.

Hunger is the worst form of deprivation of a human being. Although inability to access food is the immediate cause of hunger, the real cause in most incidents of hunger is lack of ability to pay for food. If we are looking for a way to end hunger, we should be looking at ways to ensure a reasonable level of income for all. Hunger is a symptom of poverty. If we can root out poverty, we root out the systemic cause of hunger.

Poverty Is Denial of All Human Rights

In other words, hunger should not be viewed as a feeding problem. It is a much bigger problem than that. I see it as a problem of untying people from chains and barriers created by the societies around them. These chains and barriers have disabled people, crippled them, refused them access to work and income. This situation is described as poverty. Poverty is not the creation of the poor. It is the creation of the "system," which is made up of concepts, theoretical frameworks, policies, and institutions. If we can
change the system appropriately, we won't have poverty left on this planet.

Poverty is the denial of all human rights, but we don't feel concerned about it because that's the way the system makes us look at it. The present system promotes the look of indifference toward poverty, not that of concern. More than a billion people around the world are deprived of their human dignity, and the world is deprived of their creativity, ingenuity, and productivity. This should be enough cause for concern for anybody.

Each human being is endowed with unlimited potential, but the existing system allows us to unleash only a small part of it. The poor never get a chance to explore their potential at all. Their potential remains unknown to them forever. The poor keep on suffering miseries and indignities all their lives because they never get a chance to use their capabilities to change their lives. This happens because those who design the system and run the system do not care to give them these chances. All they offer them are pity and handouts.

The World Bank's Mission

The World Bank was not created to end hunger in the world. It was created to help development. To the World Bank development has meant growth. Single-mindedly it pursues growth to the best of its ability until it is distracted by other issues like hunger, women, health, the environment, and so on. It tries to adapt itself to these considerations without giving up its basic goal. It adopts the rhetoric of all these issues pretty easily and quickly, but it cannot easily translate that rhetoric into action. Conservatism at its core makes doing this extremely difficult.

Two things may have contributed to this conservatism. First, the World Bank does not have any compulsion generated by the theoretical framework within which it operates. This framework does not assign any urgency or primacy to poverty reduction. As a consequence, its pronouncements about poverty reduction get translated only through humanitarian add-ons, like safety nets and so on. Second, people who work at the World Bank were not hired to eliminate poverty from the world. They were chosen for qualities that may not have immediate relevance for poverty reduction.

The World Bank Needs to Be Changed

For the World Bank to take poverty reduction seriously, these two issues have to be resolved in favor of poverty reduction. This may require us to go back to the drawing board, to design the Bank from scratch. We shall also have to design a theoretical framework in which poverty reduction will have a central place. We shall have to define goals in terms of measurable reductions of poverty each year, for each country, and set a date for freeing the world from poverty once and for all. We shall have to design methodologies and work habits that are pro-poor, and hire people who have the ability and commitment to do the job with all the seriousness it deserves.

Until this restructuring of the World Bank is done, to achieve its poverty reduction goal the World Bank could immediately create a window (like the International Development Association) with an exclusive mandate, managed by people hired exclusively to achieve the goals set in the mandate. Poverty reduction should not be mixed up with the usual World Bank projects. The new window should formulate its own business practices rather than follow the existing procedures, which are not conducive to poverty reduction efforts. The hallmark of this window would be that it would not claim to have all the answers. It would have the humility to learn, experiment, and continually seek better answers.

It is very important that we change the World Bank to create a poverty-free world. The World Bank is the flagship of all the development banks in the world. All regional development banks, specialized development banks, and national development banks follow the lead of the World Bank. Even nonbank development institutions follow the World Bank without ever raising a question. Its influence is global and total. Unless we change the course of this flagship we cannot change the course of the ships charting their own courses behind it.

All these changes can come about only if we find poverty totally unacceptable, if we believe that poverty can be eliminated at an affordable cost, and if the basic technology to eliminate poverty is known to us (and we can improve on it as we proceed). We need unshakable political will to end poverty and hunger.
Grameen Bank: A Bank for the Poor

Current conceptualizations of poverty provide no help in the alleviation of poverty. These conceptualizations are based on the assertion that the poor are responsible for their poverty. They are poor because they are lazy. They are poor because they lack skills, or initiative, ambition, or entrepreneurial qualities. They are poor because they suffer from cultural backwardness or they have bad habits (drinking, drugs, and so on). Working on this conceptualization we produce programs and projects to make the poor give up their “bad habits” and acquire “skills” and “attitudes” that we think they should have. Obviously, we don’t make much headway through these efforts because of the wrong start.

In Bangladesh we run a bank for the poor. We think of the poor differently. We think they are as capable and as enterprising as anybody else in the world. Circumstances have just pushed them to the bottom of the heap. They work harder than anybody else. They have more skills than they get a chance to use. With a supportive environment they can pull themselves out of the heap in no time. We offered tiny loans to the poorest people in one village in 1976. People showed how good they were in using the money to earn income and pay the loans back. But that’s not how conventional bankers look at the poor. To them the poor belong to the class of untouchables. Encouraged by the results we expanded our work to two villages, ten villages, one district, and then five districts. At no point did we have any problem getting our money back. But all along conventional bankers told us that what we were seeing was not the real thing. The “real thing” is that the poor have no vill to work, they have no ability, they will never return your money.

For a while you feel confused. What is real? What you hear about the poor or what you experience with the poor? We relied on our experience. We kept on expanding. Today Grameen Bank, the poor people’s bank in Bangladesh, operates in 34,000 villages, exactly half of all the villages in Bangladesh. Grameen Bank currently lends money to 1.7 million borrowers, 94 percent of whom are women. The borrowers own the bank. We lend more than US$30 million each month in loans averaging less than US$100 each. The repayment record of our loans is more than 98 percent. Besides income-generating loans we also give housing loans. A typical housing loan is US$300. We have given more than 220,000 housing loans so far with a perfect repayment record. Studies done on Grameen tell us that the borrowers have improved their incomes, widened their asset base, and moved steadily toward crossing the poverty line and toward a life of dignity and honor. Studies also tell us that the nutrition level in Grameen families is better than in non-Grameen families, that child mortality is lower in Grameen families than in non-Grameen families, and that adoption of family planning practices is higher in Grameen families than in non-Grameen families. All studies confirm the visible empowerment of women.

All these facts only add up to say that if we had changed our banking system the poor would have had a chance to change their lives. If we can change our development banks, this would make poverty reduction happen much faster.

We Do Our Business Differently

In many ways we do our business differently than other banks, including the World Bank. For one thing we don’t blame our borrowers if things don’t go right. Instead we blame ourselves. We train our staff to find fault with themselves, not with borrowers. We tell our staff: “Things will go wrong only if you don’t do it right.”

We take quite a bit of time preparing our borrowers to learn how to make decisions within their five-member groups. We raise questions concerning their reactions should one of them fail to pay his or her weekly installment. We repeat the following advice many times to them so that they will remember it when the occasion arises: “Please never get angry with the person who cannot pay the installment. Please don’t put pressure on her to make her pay. Be a good friend, don’t turn into an enemy. As a good friend your first response should be, Oh my God, she is in trouble, we must go and help her out.” We advise them: “First find out the story behind the nonpayment. From our experience we can tell you that most often there is a very sad story behind each case of nonpayment. When you get the full story you’ll find out how stupid it would have been to twist her arm to get the money. She can’t pay the installment because her husband ran
away with the money. As a good friend your responsibility will be to go and find her husband and bring him back, hopefully, with the money.

"It may also happen that your friend could not pay the installment because the cow that she bought with the loan money died. As good friends you should promptly stand by her side, give her consolation and courage at this disaster. She is totally shaken by the shock of the event. You should cheer her up and prepare her to pull herself together. Ask Grameen to give her another loan, and reschedule and convert the previous loan into a long-term loan."

Grameen reminds its staff that no borrower should, at any time, get a feeling that she has added to her misery by joining the Grameen group. We are in the business of reducing people's misery we tell them, not increasing it. If we are not capable of doing that, we should close down our shop and find something else to do for a living.

The Poor Suffer Because of Countries' Debt Burdens

Stories that we hear about the enormous debt burden accumulated by a large number of countries around the world and the miseries caused by the structural adjustment programs imposed on them by the World Bank make us feel that our two banks work quite differently. When we hear about how countries are made to pay these debts through the nose, surrendering the bulk of their import earnings, leasing out valuable resources at throw-away prices to make extra income, sacrificing social and environmental considerations to earn enough to repay their huge debts, we find it difficult to accept this as banking. Causing misery to people and to nations cannot be banking.

At Grameen we follow the principle that the borrower knows the best. Of course, the World Bank follows a very different principle. We encourage our borrowers to make their own decisions. When a nervous borrower asks a Grameen staff member: "Please tell me what would be a good business idea for me," the staff member knows how to respond to the request. He or she is trained to respond in the following way: "I am sorry, I am not smart enough to give you a good business idea. Grameen has lots of money, but no business ideas. If Grameen had good business ideas also, do you think Grameen would have given the money to you? It would have used the money itself, and made more money."

But it is quite different with the World Bank. They give you money. They give you all the ideas, expertise, and everything else. Your job is to follow the yellow lines, the green lines, the red lines, read the instructions at each stop, and follow them. The World Bank is eager to assume all the responsibilities. They don't want to leave any responsibility for the borrower, except the responsibility for the failure of the project.

The World Bank approaches its borrowers through a string of powerful missions. The missions are so plentiful that at no point are you too far away from the next World Bank mission. Despite all the arrogance of expertise, supervision, and money, the projects don't always work out. It is not fair to blame the borrower for failure of projects and make the poor suffer for it.

We Need the World Bank on the Side of the Poor

Banking can be done in a humane way, in a pro-poor way. We must make serious efforts to find this way and put it into practice. The World Bank is the most powerful financial institution in the world. To eliminate poverty from the surface of the earth we must learn to bring the full force of this institution behind this effort. This needs to be done with the utmost urgency and seriousness.
The Association of Women's Clubs (AWC) is forty-three years old this year. Founded by a school teacher, Helen Vera Mangwende, the AWC has 40,000 members, 80 percent of whom live in rural Zimbabwe, organized around 1,789 projects and clubs. The AWC's focus is on skills training for disadvantaged women to equip them to improve themselves and the performance of their duties in the household and in community development. Since 1986 the AWC has operated programs in the five Mozambique refugee camps to teach women refugees the same courses available to local AWC members. Returning refugees and groups in other Southern African Development Community countries have requested that the AWC come to their countries to assist them to set up similar development structures. The AWC and women in Manica Province, Mozambique, have one project they are now implementing jointly.

Although Zimbabwean women were fully involved in the sixteen-year War of Liberation for independence, thirteen years later, while Zimbabwean women have made significant legal gains, they have lost on many fronts in the household, in the community, and nationally. For example, there were women who were full cabinet ministers in 1980, but now there are none. Women have lost their ministry, which is now a department in the President's Office. Women are no longer a pressure group in Zimbabwe. These losses have intensified the need for strengthening women's NGOs.

Since 1980 the Zimbabwean government has made every effort to ensure the adoption of sound food security strategies to end hunger in every household. However, persistent droughts, the AIDS pandemic, the prolonged global recession, the collapse of the communist bloc in Europe coupled with the flight of aid from Africa to Eastern Europe, the rise of racism and sexism despite the current popular positive rhetoric on the African woman's burden on the work front, and the introduction of the Economic Structural Adjustment Programme (ESAP) are some of many factors that have hindered progress. Organizations such as the AWC have therefore been forced to restructure to meet their members' needs in this new situation. The AWC has also incorporated a Drought Preparedness, Food, Nutrition, and Health Project as an integral part of its new Five-Year Programme (1992–97) to ensure that when the next drought strikes, its members do not suffer as they did the last time.

The AWC's Drought Preparedness, Food, Nutrition, and Health Project is a direct result of members' experiences during the recent drought, the ESAP, and the present steady spread of the AIDS pandemic throughout Zimbabwe. The AWC has 1,440 small agricultural projects that include gardening, piggeries, rabbit and goat rearing, cattle fattening, and poultry production. In the new program these are divided into two categories along with water and sanitation projects. In the first category members are trained to grow crops and raise animals and poultry for daily domestic consumption, and in the second they develop their activities into business ventures.

For example, with a US$100 donation, members of the Zvishavane Agricultural Women's Training Centre bought 150 day-old chicks, feed, 

...
and medication. The chickens were sold at eight weeks and some profit made. The proceeds were reinvested into purchasing 200 more chicks, and the cycle continues. In this small way the centre modestly embarked on the Food, Nutrition, and Health Project. The Training Centre is in the dry belt, where such projects are part of the district's food security. The members are now developing this small project into a business venture and plan to set up a modern chicken factory to slaughter and dress chickens supplied daily by each member.

The AWC also had a successful Mother and Child Care, Family Planning Project with the Marie Stopes Foundation, a British-based organization, and other partners that trained 200 locally based AWC area trainers in reproductive health and child care. The new AWC AIDS Awareness Project relies on this resource. Zvishavane members have long requested the setting up of a clinic focusing on AIDS, hence the "Health" in their Food, Nutrition, and Health Project at the Training Centre. One hundred and eighty AWC AIDS shelters are planned to provide members with information and education.

As a model for ambitious business ventures members are inspired by an AWC club in Masvingo region that has built its own candle making factory. This club decided to diversify its business interests from handicrafts, agriculture, and other activities associated with women's work, and has so far succeeded in realizing its dream. It has created jobs for its community in Masvingo.

The AWC story is one of grassroots women's struggle, courage, and the resilience to open up space for women's participation in development at all levels of society for more than four decades by strengthening the operations of their organization. In reviewing the past we realized the value of reinforcing the gains already made.

The AWC taught the women self-reliance mechanisms such as electing a committee and selecting one trainable person among them with leadership and literacy skills, that would be designated as an area trainer and would be trained each year. Its new structure is decentralized so as to provide an organization for rural women run by themselves in their own villages and for their own benefit to provide an environment for women to socialize with one another, and to provide them with skills training to equip them to carry out their diverse activities.

The experience of working through donor-financed projects and having accounting systems that were different for each donor led to the AWC becoming accountable to the donors and not to its members. The AWC has now developed internal systems to make it accountable to both members and donors. The donors must also accept that there is a policy change by the AWC from the welfare type of project previously favored by donors to the new AWC, which has a development program whereby projects are being developed for specific regional, district, and club situations and needs over the next five years.

There is a saying in rural Zimbabwe that you can tell AWC members' families because they are the healthiest and best looking, best dressed, and best fed in the village. The homes of members are the cleanest in every village. Their crops and animals are the healthiest and best looked after. Songs and drama by village youths, male and female, and by members all revolve around the importance and successes of clubs' work in rural Zimbabwe.

African women have always been partners in development, although they have not been regarded as such since colonialism. For example, when the country was occupied in 1890 by the Pioneer Column, the leader of the tough resistance they faced was an African woman, Nyakasikana Nehanda. When NGOs were first started in the 1920s, women took this opportunity to found their own NGOs to improve society. African women refused to dissolve their organizations and chose to restructure and adjust them to changing environments as illustrated by the AWC's restructuring exercise. Yet these brave efforts have not significantly improved women's status in Zimbabwean society.

Despite the Zimbabwean government's brave efforts to explain the benefits of the ESAP, AWC members continue to be increasingly hard hit by it. The average per capita income of AWC members is Z$33 per year. Retrenchment of workers has devastated members as many are affected by the loss of remittances from relatives working in towns. The removal of subsidies without alternative measures to support those least equipped to help themselves has brought hunger back into the streets and homes of Zimbabweans and has intro-
duced the new element of street kids everywhere. Girls have been removed from school and many pushed into prostitution in this AIDS pandemic to earn income to help meet their families' needs. The list of negative drastic changes caused by the ESAP grows daily with the reintroduction of medical and school fees. The number of Zimbabwean women dying in childbirth has doubled since the introduction of the ESAP. AWC members believe that the ESAP has prevented their new program from full implementation to date.

The North says that major funding should be directed to NGOs and African women at the grassroots level. The AWC, a community-based organization, has relied on members' participation to produce a comprehensive, people-centered program based on the needs of 40,000 African women who are among the poorest of Zimbabwe's poor. The AWC needs seed money now for the new program to take off. The World Bank will hopefully listen, study, and learn from the experiences of the AWC and other NGOs and introduce policies and programs that will have people-centered adjustment programs based on participation of the world's poorest to improve them and their societies.
Floor Discussion

An exchange between the speakers and discussants followed. It was initiated by Ismail Serageldin’s commentary.

Ismail Serageldin: I am surprised to hear today a description of the World Bank that is very different from the Bank that I know and work in. My colleague here at the podium was telling me that we need to know more about how the World Bank works, and my brief discussion with Muhammad Yunus yesterday about his statement also revealed that people may need to know more about how the World Bank really works.

In some ways, we are very much like Grameen Bank in the sense that the less you have, the higher priority you get, not the more you have, the more you get. The latter is not the policy of the Bank. In fact, every time a country achieves a certain level of development, it ceases to be a borrower from the World Bank. We automatically say, “You now have no business with the World Bank.”

When I first started working in the Bank we were working on Greece, Ireland, and Spain. These countries all have graduated, and the Republic of Korea, Thailand, and others will probably be following suit very soon. We exert ourselves for the poorest countries by our unremitting efforts to obtain the concessional funding they need, by mobilizing support for IDA. By providing IDA support, far from forcing countries to pay through the nose for debt, IDA provides tremendously generous grants. The grant element in IDA is calculated by the Development Assistance Committee at more than 80 percent. The terms for the repayment of IDA credits are forty years, with ten years of grace, zero interest, and only three-quarters of 1 percent administrative charge. So exploitative repayment conditions are not the Bank’s mode of operation.

There is a big difference, however, between working with governments and working directly with the beneficiaries. The Bank is an intergovernmental organization. Our mandate, our statutes, are to lend to governments for the purpose of promoting development. The examples that Muhammad Yunus gave do not work well in dealing with governments because the people who have gone directly to governments and said to them, “Here, we will lend you money and you know how to use it,” were the commercial banks in the 1970s. They created the debt problem because they kept lending more and more money to governments without any regard to how this money was being used, whether to build lavish new capital cities or to purchase luxury items. This was known as sovereign debt. We all know what happened to those loans because giving directly to governments is not the same thing as giving directly to beneficiaries.

Two more points need to be made about working with and through governments. It is our experience—and I am honored to say this in the presence of a most notable African leader President Masire—that whenever a national government, a national leader, has articulated a vision, the Bank and others have tended to support it. Where differences have existed, they have been technical differences. The success stories invari-
ably come from people who say, "This is what we have done. This is our program," and the Bank supports it.

It is unfortunate that in many other situations, government officials tend to blame the conditions on outsiders. Governments do not discuss all the contents of their programs sufficiently with their people. They do not have the kind of dialogue with civil society that is necessary to create a broadly based consensus on "What is our situation, and how are we going to solve it?" In such cases, when confronted with difficulties many government officials find it expedient to blame it on the Bank or on the International Monetary Fund or on some international entity, but pointing to others is not the same as dealing with their own problems. When governments do take responsibility, not only does success come to them, but the donor community and everybody else will support them.

With tremendous modesty, President Masire talked today about what has been achieved in Botswana. What other country has had to launch special programs to feed as much as 30 to 40 percent of its total population? Would it have had the dialogue to build the consensus with its people that Botswana achieved? And on top of this, President Masire said that he wants to engage the nongovernmental organizations and the civil community more actively in this debate. This is the kind of action that I salute and to which we should dedicate ourselves.

People talk about the World Bank as if it were the bogeyman. This is not true. If we listen to the discussions we have been having here, we could build a better understanding of one another's strengths and comparative advantages and see how we could help one another achieve that objective to which we must all commit ourselves and dedicate ourselves: the abolition of hunger in our lifetime.

Muhammad Yunus: Concerning the difference between borrowers as individuals and borrowers as governments, I still think the relationship has a lot more similarities than dissimilarities. If I were lending to a government, I would rather wait for it to formulate what it wants the money for, because just as we do not tell our borrower what she should be borrowing money for, I would not tell the government what it should be borrowing money for.

The way the World Bank does this, and I am not saying this in a spirit of hostility, is to send a mission to find out what you, the country, needs, and tells you what you need. And then it sends a project preparation mission, because you do not know how to prepare your projects, and says, "We will do it for you." Then the preappraisal mission comes, the appraisal mission comes, the inception mission comes. This is how the projects are prepared.

If I were the World Bank I would say, "You do your programming. If you need assistance in terms of money to pay for experts of your choice, tell us, and we'll give it to you, but you prepare it. If you want us to come and comment on your programming, we'll do so. This is your project. You prepare it." If the government does not prepare the project, it does not own it.

I can give you an example. When we were preparing a Grameen Bank proposal for what we wanted to do in the next three years, IFAD sent one of their staff. He introduced himself by saying: "IFAD sent me to prepare your proposal." I said, "Who is IFAD to prepare our proposal? We shall prepare our own proposal." IFAD had not even bothered to tell us that they were sending somebody to prepare our proposal. I said, "We don't recognize you." So the poor IFAD representative was hanging around, sending faxes back to his Rome office. Finally, a formal letter came to us, and I said, "I don't recognize this letter, because this letter has to come from the government." So he could not do anything, and he went back, but before he went back, he tried to explain to me, "You tell us what you want, and I'll write the thing in the language of IFAD." I said, "I will write my proposal in my language. If IFAD does not understand it, IFAD has to hire an interpreter to understand what I wrote, because this is my proposal, and it is up to IFAD whether or not to give money."

This kind of thing happened not only once, but all the time when we created the Grameen Bank. At that time, we were receiving funds from IFAD, but project execution was by the Asian Development Bank. Each mission that came from the Asian Development Bank caused us nightmares. They hated us for everything we did. Whenever we heard that the IFAD technician was coming we spent sleepless nights, as if we were doing something criminal. When we became a
bank, the mission that arrived in Dhaka was furious. They said, “You have no right to convert into a bank.” I said, “We struggled very hard to make a bank. Now tell us that we have no right. Who has the right?” He said, “Without the permission of IFAD, you cannot do this.” I said, “Who is IFAD that I have to get their permission? If you don’t want to give us the money, keep your money. We will find other money.”

For another example, the World Bank pressured the government of Bangladesh about making up its mind about a credit program. The president formed a high-level committee and asked me to be part of it. In the committee meeting I said, “In this program, 60 percent of the money will be used for technical assistance, which means that experts will come to Bangladesh to tell us how to run a credit program. They are also saying how they are so impressed by the Grameen Bank. So they do not need to send people from Washington or anywhere else. We are here, and we do not need any money to tell you how we run a credit program.”

So the minister of planning asked me to write up the project and gave me a deadline of twenty-four hours. At a meeting the next day the committee reviewed the proposal and approved it, but the World Bank continued to pressure us. It insisted that the new foundation I had suggested, which would receive funds from the government and make them available to any NGO that was interested in lending money to the poor at 2 percent interest, had to receive US$75 million from the World Bank. We said we did not need the money and the World Bank insisted that we come and negotiate a US$75 million loan. Finally, by going to the president of the World Bank and then sending a negotiator to the Washington meetings, we managed to convince the Bank that we really did not want their money for this project. This was not a pleasant experience, and what I am trying to say is that we can do business differently.

What we are doing right now is trying to understand the different policies of the different donors. While we are doing that, the 66 workers of the Association of Women’s Clubs servicing 40,000 women have been working voluntarily, for no pay, for 12 months. I do not know how many times we have been told that the World Bank has US$10 million for women, the USAID has US$10 million for women. I am sick and tired of hearing about how women are a priority and they ought to be supported, yet when we produce something the donors give us every excuse as to why they cannot put money into the Association of Women’s Clubs, and they have done so even though we have asked them for a financial controller to come for two years to train us in how to look after money.

So the point about the World Bank that I found out yesterday is that it is our bank, and I found out that the people I ought to be fighting with are the Zimbabwe government. But I find that hard to believe, because the same problem that we have met in trying to get a revolving fund to finance our 1,780 clubs must be the same problem our government is facing with the World Bank in getting money into Zimbabwe, because the problem in Zimbabwe is that there is no cash to do anything.

A number of participants commented from the floor; then the speaker responded.

Participants’ Comments

First floor participant: I know that Muhammad Yunus has a wonderful story to tell about how Grameen workers find the poorest when they start a new group, and I would like to ask him to share that story with everyone here.

Second floor participant: Statistics reveal that in many countries persistent structural hunger is more an urban than a rural phenomenon. I was recently in Kenya for a meeting with representatives of the United Nations Children’s Fund, and this is what they have found in Kenya. Yesterday I spoke with a colleague from Brazil. Brazil is 80 percent urban, but according to his figures about 75 percent of the hunger in Brazil is in urban areas. So what we are calling for is assistance to the urban poor to produce their own food in the way Ruth Bamela urged us.
Now before anyone thinks this is rather far-fetched, a recent survey carried out in Moscow found that two out of three families in greater Moscow are producing food. A survey in Kenya found that three out of five families in Nairobi are producing food. In most countries, urban agriculture is women’s agriculture rather than men’s. I was recently in Uganda, where the women-headed families leave the villages and move to the city. In the city they have to produce their own food. So urban agriculture in many countries is women’s agriculture.

Virtually no research or development assistance has been devoted to urban food producers, yet we all know that within a few years half the world’s population will be urban. So I call to your attention the need to empower the poor in cities and towns to achieve food security by producing their own food, which means that they have to have access to credit, to land (which government gets involved in), and to water. This will also help cities become more environmentally sustainable and less polluting.

Third floor participant: I have been an admirer of Grameen Bank for many years. The bank does not only lend money, it contributes very effectively to health, nutrition, education, and welfare in general. How does it do this and what is the relationship between the bank and the government concerning these social services?

Fourth floor participant: We are an international private voluntary organization, and in the last fifty years we have built up a program that is now a US$200 million program worldwide, but we built it up community by community, through participation. My question is, how does one reverse the process with the Bank, whereby you start with multimillion dollar loans and then get to the community level?

Fifth floor participant: The U.S. Congress, especially President Clinton, is in the process of slashing foreign assistance, including foreign assistance that goes to the poorest countries and to poverty-focused programs. I understand that Muhammad Yunus met with President Clinton and had an opportunity to talk with him about that problem. I would be interested to hear his impression of President Clinton’s interest.

Speaker’s Response

Muhammad Yunus: On the question of how we find the poorest person in the village, we follow two basic principles. One is that people should not come to the bank, but that the bank should go to the people. Our staff travel around and meet people to talk to them about their needs. The second principle is the reverse of the banking principle that the more you have, the more you can get, so if you don’t have anything, you can’t get anything. We say that the less you have, the higher your priority. So we try to identify those who have nothing at all.

During our staff training we explain things in this way. When you explain that you represent a bank that lends money to poor people, everybody around you is likely to turn into a poor person. Anybody who says, “I am a poor person, give me the money,” will surely not be a poor person, and you can ignore that person. You should walk around and try to find out where the poorest person in the village lives. If a man comes up to you and claims to be that person, accompany him to where he lives, and that way you can see how well or badly he lives for yourself.

Once you get in the house and you find out that he has a relatively decent house and a few possessions, then you tell him, “Look, you say you are a poor person, and maybe you are, but don’t you think there are people who are not as lucky as you in this village, who are maybe worse off?” Then he will admit that he knows several people who are worse off than he is. Then you say, “Would you please accompany us to show us who is the poorest in your estimation?” So he becomes a guide to take us to the poorest person. And if you see that this is a house in name only, and that all the owner and her children have is maybe a couple of pots and pans, a few bottles hanging from one corner, and some rags, then you will know you have found the poorest person.

Then you explain what Grameen does and how she can borrow from Grameen. And after a while, when you ask for her response, she will say, “Oh, no, I can’t take money, and I don’t need money. What can I do with money?” And you know right away that she is the person you are looking for. So from now on, you have to build up her confidence because she has not gotten an offer of help before, so naturally she is suspicious. So
you have to build up her confidence so that one day, maybe several weeks later, she will say, “Yes, let me try to find some friends to form a group.”

So this is how we try to find the poorest person, and the first few groups that Grameen forms in a village have to be made up of the poorest people, because otherwise we will keep moving up to a higher level, and we will never come down to the poorest. Our approach is the same whether we are in an urban or a rural area, a hill region or a plain region, and the causes of poverty and hunger are the same, institutions that deprive the poor of a fair chance at access to credit.

As for producing food, all poor people do not have to produce food as long as they have the income to buy it from a job. I do not see how a poor person can be engaged in food production in an urban situation.

In the case of social services supplied by the government in Bangladesh, not too many of these services are readily available to the poor. Our health service is free, because it is aimed at the poor. However, anything that is free only serves the interests of the rich, because they have the power to capture it, and most of these benefits will be in urban areas, where the powerful and the rich tend to live. If the benefits ever get to the rural areas, the same thing will happen. So all these services like health and education do not really go all the way down to the poor. In Grameen’s case, we try a different approach to see if these benefits can be provided through the Grameen groups.

We have something called sixteen decisions. These are decisions that the people themselves have arrived at through intensive dialogue within their Grameen Bank groups about their problems and what they can do about them. From these discussions over the years, we now have a list of sixteen decisions, for example, we shall not take any dowry at the time our sons marry and we shall not give any dowry when our daughters marry. Giving a dowry is a killer for poor people and can lead to even deeper poverty and to debt with the moneylenders.

Another example is that we shall grow vegetables all year round, eat plenty of them, and sell the surplus. Malnutrition is rampant in Bangladesh, and one of the ways people can improve on the nutrition situation and alleviate certain vitamin deficiencies is by eating plenty of vegetables. So we explained this to them, they discussed it, and they decided to grow vegetables year round, and Grameen took the responsibility of selling vegetable seeds at cost to the borrowers. Today Grameen sells more vegetable seeds than the government agency responsible for selling vegetable seeds.

Another example of a decision is that we shall send our children to school and help them to earn enough to pay for their education. One of the ideas that emerged during our discussions was that if you plant enough vegetables so that you can sell some in the market, you can use the money to buy all the stationery that your child will need in school. And growing vegetables is fun for children, who would also enjoy raising chickens to earn money to pay for other necessities, while at the same time learning how to do things for themselves.

About the meeting with President Clinton, one of the things we discussed was the USAID and the foreign aid situation, and I expressed my views about foreign aid. In the foreign aid situation, the donor country writes the check, but gives the wrong address. In the case of Bangladesh, it says US$100 million to Bangladesh under the assumption that Bangladesh is a poor country, so everybody there must be poor. What happens is that the richer people in Bangladesh grab that check and use it for themselves. You have to address the check to, say, the poorest 50 percent of Bangladesh’s population, so that the officials who are responsible for it now have to find these people.

I also mentioned to President Clinton that when I had visited the USAID on previous occasions, I felt as though I had entered enemy territory, but this time I felt at home. Everybody was speaking the same language that I spoke. I thanked him for making this happen, especially the change in policy on microeconomic lending. I said, “I wish you could use your influence to change the World Bank in the same way.”

Finally, I delivered a letter from many of the NGOs who are represented here today that asked him not to make the planned reduction of about 50 percent in aid money and poverty reduction funds. He read the letter and said, “I’ll make sure that there is no cut.” I hope he remembers.
Special Address

Ending Hunger: A Global Concern

Boutros Boutros-Ghali
Ending Hunger: 
A Global Concern

Boutros Boutros-Ghali

The topic of this conference should not be controversial. No one seriously disputes that hunger is an evil that should be eradicated. Nevertheless, hunger exists despite our consensus that it should not, and despite all our efforts. Many famines still afflict our world, and in some parts of the world, whether harvests are good or bad, hundreds of millions cannot afford the food they need. Population trends raise the specter of an increase in hunger and malnutrition in the coming decades.

We are here to discuss what should be done. Before we can do that, we must be clear about the causes of hunger. Basically, there are three:

• Hunger that arises during a sudden crisis
• Endemic hunger that comes from poverty
• Hunger caused by an imbalance between population and food supply.

The world now produces enough food to feed its population. The problem is not simply technical. It is a political and social problem. It is a problem of access to food supplies, of distribution, and of entitlement. Above all, it is a problem of political will.

The most obvious manifestation of hunger comes with a sudden crisis, when large numbers of people are deprived of access to food. The crisis could be a drought or a flood, or it could be a military confrontation or a civil war.

Weather-related famines are not new, but because of population growth, many more people are affected today, and modern communications see to it that we are all made aware of each crisis more vividly than before. Many more countries today have the capacity to cope with weather-related crises. India provides an example. There, an efficient system of early warning, drought relief, and food distribution has been established.

Southern Africa gives us the example of the famine that did not happen. In 1992, when 18 million lives were at risk, governments of the region mobilized their own resources for food and emergency aid, and the humanitarian program launched by the United Nations (UN) attracted timely support. Tragedy was averted.

However, famines are not caused by natural disasters alone. They arise all too often from man-made causes. War and civil unrest are the most common causes of large-scale hunger in many of the humanitarian crises in which the United Nations is involved. Often entire populations are displaced from their homes or seek refuge in neighboring countries, and sometimes famine is used as a weapon in civil or ethnic conflict.

When populations are displaced or forced to flee, food production suffers. Military operations often target the most fertile areas of a country. They leave barren desert where once green fields and farms provided food for thousands. Once-proud food producers crowd in makeshift camps awaiting international aid. However, aid is often stopped by the second scourge of war: attacks on ports and food collection centers, and on food relief workers themselves. In Somalia nearly half a million people, most of them children, died because food relief was not able to reach them. United Nations food convoys, as well as those of nongovernmental organizations, were impeded by brutal gangs. Anarchy reigned, and the weak suffered the most. But today even the most unfair
critic of the United Nations can testify to the fact: nobody dies of hunger in Somalia.

The second cause of hunger is endemic poverty. If hunger caused by crisis requires emergency relief, hunger caused by poverty should be the target of development efforts. Here a great deal has been achieved. Let us take heart from the fact that the number of hungry people in developing countries has been falling during the last fifteen years. As a proportion of the world’s population, fewer people are hungry today than at any other time in history. Except in Sub-Saharan Africa, nutritional trends have improved in all regions of the world.

This brings me to the third cause of hunger: an imbalance between food requirements and food production. Hunger is often the result of development models that tended to favor the urban economy and lifestyle at the expense of the countryside and agricultural production. In some cases, the priority given to the production of export crops to generate hard currency caused food production to decline. Because of falls in commodity prices and the resulting decline in export revenues, many countries are now vulnerable to food shortages and crises.

The answer is to raise agricultural productivity. Farmers should be given the incentive to invest in food production. However, attempts to raise production at all costs may be counterproductive. In many countries, food production is endangered because of damage to the environment. Land degradation, water scarcity, and a growing vulnerability to stress are real threats to food security. Agricultural development should therefore be sustainable.

Careful attention should be paid to the market for food, and hence to the price of food. Economic reform, which includes the removal of bureaucratic pricing mechanisms, is necessary. In the short to medium term, however, the result can be prices higher than most people can afford. When this happens, hunger and malnutrition may appear among lower-income groups. Adequate safety nets for the poor are, therefore, an essential component of any economic reform program.

Hunger is a global issue. Its existence violates that most basic of human rights, the right to survival, and it is our responsibility as an international community to guarantee that right. The United Nations is central to this task because the solutions must be comprehensive. Food security requires an across-the-board effort. Its political, social, economic, and technological factors must all be involved and integrated. Above all, food security must be guided by a political consensus on the need for action, as well as on its nature and scope.

Often, in responding to hunger the dividing lines between relief and development work have become blurred. Some agencies are involved on both sides, others only on one. The General Assembly, in its Resolution 47/150 of March 31, 1993, dealt with the issue of coordination. It affirmed the critical importance of establishing the most effective arrangements for managing and coordinating the UN response to world food and hunger problems. Within the United Nations Secretariat the responsibility for coordinating work on humanitarian crises rests with the Department of Humanitarian Affairs; responsibility for developing policy and coordinating action on poverty, hunger, and malnutrition rests with the Department for Policy Coordination and Sustainable Development.

In situations of humanitarian crisis, the United Nations system has responded to some of the worst manifestations of hunger in recent years. The World Food Programme (WFP), the High Commissioner for Refugees, the United Nations Children’s Fund (UNICEF), the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the UN (FAO), and the World Health Organization are involved in this effort. I pay tribute to the dedicated men and women who work for the relief of hunger, often risking their own lives.

To attack endemic hunger, we must address its underlying causes. The real answer to hunger lies in measures to eradicate poverty. The system is therefore targeting endemic poverty, low agricultural productivity, and deficiencies in food production and distribution. The FAO, the International Fund for Agricultural Development, the UNDP, and UNICEF, among others, are working to these ends. World Bank lending for agriculture and rural development, for antipoverty programs, and for social development plays a central role.

The World Food Programme—the food aid organization of the United Nations—provides
relief food aid to victims of natural and man-made disasters. It also supplies food aid in support of development in general. During the past three decades, the WFP has invested approximately US$13 billion, which included more than 40 million tonnes of food, to combat hunger and promote economic and social development. The WFP now handles more than one-quarter of all food aid moved globally. Most of the food is donated by industrial nations or is purchased from developing countries. WFP assistance is specifically targeted to projects assisting the poorest people in the poorest countries, with the objective of long-term improvement in their lives, but the balance between development and emergency assistance has altered considerably in the past three years as conflict and civil strife have increased throughout the world.

The United Nations Development Program is following an integrated approach to hunger. The UNDP seeks to address all aspects of development that have a bearing on food and hunger. These include providing drought relief, helping in disaster mitigation, halting desertification, tackling crop disease, promoting agricultural self-reliance, and improving the infrastructure required to move farm products to the people. The focus of the UNDP’s work is on building national capacities in all these areas.

UNICEF is another major actor in this sphere. At the World Summit for Children in 1990, heads of state and government made important pledges. They accepted far-reaching goals, to be achieved by the end of this decade, to reduce hunger drastically and to mitigate its impact on children’s nutrition. The world’s children are the world’s future. Today, UNICEF is carrying those goals forward through its three-way concept: household food security, the health environment and health services, and care for the well-being of the next generation.

From the experience of the past and the improved study of the present, some lessons emerge:

- Coordination at the field level and at headquarters is of the essence. The need for coordination is particularly acute where relief operations are conducted in conflict situations. Hunger relief efforts must have safe access to populations in need.

- Methods of relief delivery must take into account the need to ensure a continuum from relief to rehabilitation, reconstruction, and development.

- Hunger is not a single, uniform scourge. Several types of hunger can be identified. One solution will not solve them all, but all of them are easier to pursue in a growing economy.

- Although economic growth is necessary to eradicate hunger, it is not sufficient. Greater attention to poverty alleviation, health, education, and human fertility is necessary. If solutions are not to produce added hardships, taking the social factor into account is essential.

- Many problems of hunger, including famine, require building sound institutions—particularly at the community level—for food production, storage, and distribution. Food security at the household level must therefore become a guiding principle for agricultural policies and antipoverty programs.

- Action must be taken in good time. All too often the international community has reacted at a very late stage, when a famine has reached catastrophic proportions. Similarly, malnutrition can be swiftly reversed by targeting aid toward vulnerable groups: children, women, and the aged.

Today, some 800 million people suffer from insufficient or poor nutrition. We have the experience and the resources to feed them all. We do not always have the political will to do so. However, I am most encouraged that the political will is emerging. I have just received a letter from President Carlos Menem of Argentina. He suggests setting up an international volunteer corps for the fight against hunger. This is certainly an initiative that merits serious consideration.

Economic growth and prosperity will help eradicate hunger.

Peace and stability will help eradicate hunger.

Institution building will help eradicate hunger.

Targeting assistance will help eradicate hunger.

Sustainable development policies will help eradicate hunger.

We have the understanding, we have the means, we have the tools to remove the shame of hunger from the world. With political will we can, together, do so.
Session Five

The Political Economy of Hunger
Hunger Conference attendees included academicians, development practitioners, U.S. Congressional staff, and representatives from more than 150 NGOs from developing countries and the United States.
The modern age is not short of terrible and nasty happenings, but the persistence of extensive hunger in a world of unprecedented prosperity is surely one of the worst. Famines visit many countries with astonishing severity, "fierce as ten furies, terrible as hell" (to borrow John Milton's words). In addition, massive endemic hunger causes great misery in many parts of the world, debilitating hundreds of millions and killing a sizable proportion of them with statistical regularity. What makes this widespread hunger even more of a tragedy is the way we have come to accept and tolerate it as an integral part of the modern world, as if it is a tragedy that is essentially unpreventable (in the way ancient Greek tragedies were).

Defeatism and Fear

I shall argue that not only is the problem of world hunger decisively solvable, but that one of the greatest barriers to achieving that solution lies in the widely shared skepticism about such a solution, the defeatist and baseless fear that we shall not succeed against so big a challenge. Jimmy Carter, who is addressing us later on in this session, has spoken against defeatism in many fields, and I hope he will do so again in the present—exceedingly momentous—context. One of Jimmy Carter's illustrious predecessors, Franklin Roosevelt, had said that "the only thing we have to fear is fear itself." That applies very well to the world's attitude to persistent hunger.

Defeatism often masquerades as hard-headed realism, and the tendency to take that view has plagued the world for a long time. Thomas Robert Malthus' dreary pessimism was a good example, and it was aimed at the optimism of some of the leaders of European enlightenment, such as Condorcet and Godwin, who saw social problems as being solvable by rational deliberation and cooperative action. The rationalists did not assume, as is sometimes suggested, that unlimited population growth was no problem. Rather they believed, as Condorcet put it, that "the progress of reason" will make people recognize that "if they have a duty towards those who are not yet born, that duty is not to give them existence but to give them happiness," so that they will on their own choose to restrain family size, "rather than foolishly to encumber the world with useless and wretched beings." In contrast, Malthus announced that "there is no reason whatever to suppose that anything beside the difficulty of procuring in adequate plenty the necessaries of life should either indispose this greater number of persons to marry early, or disable them from rearing in health the largest families." He theorized, therefore, that misery was inevitable, that population would be persistently outstripping our ability to grow food, which would be followed by famines and disasters, which in turn would raise death rates and return the population to a smaller size.

Reasoning and Participation

The defeatist and cynical attitude reflected by Malthus and his followers continues to dampen the prospects for a reasoned solution of the
world's problems, and the tendency to attribute greatness and vision to the Malthusian approach by some contemporary authors can misguide us in many different fields ranging from famine relief and economic development to population policy itself. The debate between the two sides was not one between smugness, on the one hand, and realism, on the other, as it is sometimes portrayed now, but between working for a reasoned and participatory solution of identified problems, on the one hand, and defeatism and compulsory hardship, on the other.

It was Condorcet himself who had identified, before Malthus, the possibility of population growth being too fast, and Malthus quotes Condorcet in presenting his own theory of population. Where they differed was in Condorcet's belief, and that of many other rationalist thinkers of that period such as Adam Smith, that by reasoning about the nature of solvable problems and by understanding the appropriate actions to be undertaken to avert these problems, we can prevent their occurrence, whereas Malthus saw no such hope and spoke instead of the need for compelled suffering on the part of much of humanity. Indeed, Malthus went on to integrate his pessimism with his ruthless religiosity: "It seems, however, every way probable that even the acknowledged difficulties occasioned by the law of population tend rather to promote than impede the general purpose of Providence." "A uniform course of prosperity" would, he asserted, "degrade" rather than "exalt the character." This is a fundamentally different attitude from that shared by Condorcet and Smith, which seeks reasoned identification of problems and voluntary action to deal with them.

Development and Population Growth Rates

The history of the world since Malthus' times has not given much comfort to his bleak cynicism. Population has increased sharply since Malthus' days, and yet the availability of food per head has grown rather than fallen, death rates have steadily declined, average longevity has expanded to levels that very few could enjoy in the past, and much as Condorcet expected, birth rates have come down with education (especially female education, on which Condorcet had particularly focused) and economic development.

While Malthus thought that population growth would speed up indefinitely with prosperity and had to be kept down by misery and the compulsion of so-called "positive checks," population growth rates are now very low indeed in countries with economic and educational development and remain high mainly in regions of misery and underdevelopment, such as Sub-Saharan Africa and parts of south Asia. Of course, many problems are still connected with population growth, but they do not arise from issues stressed by Malthus. The solution to them clearly lies in bringing reason and cooperation to bear on them including, as Condorcet had noted in an immensely far-sighted reference, the exploration of "methods of preservation and economy."

Causes of Hunger

As far as hunger is concerned, there was a great deal of it (combined with widespread general deprivation) in Malthus' own times—proportionately much more than now—but Malthus' opposition to relief and his hostility to Poor Laws and charitable hospitals was based on his belief in the inevitability of—and some religious merit in—sufferings of this type. While we should take some comfort in the fact that we live in a less terrible and morally less harsh world, I must now turn to the question as to why so much hunger still exists. There is something to discuss here given the immense productive abilities and general economic prosperity in the contemporary world.

I have argued elsewhere that hunger is best seen in terms of failure of people's entitlements, that is, their failure to establish command over an adequate amount of food and other necessities. A person may have little means of commanding food if he or she has no job, no other sources of income, and no social security. The hunger that will result can coexist with a plentiful supply of food in the economy and the markets. Famines have occurred in situations of high food availability, sometimes even peak food availability.

Essential Requirements for Famine Prevention

Effective famine prevention has three essential aspects: scientific, economic, and political.
Famine Prevention and Science

The first aspect concerns the "science" of famine, the need to understand the real causes of famine and not to identify the prospects of famine with the misleading figures of food supply per head. Famine result from particular sections of the population—typically some occupational groups—losing their ability to command food, for example, because of loss of employment, falling real wages, and so on. The Malthusian focus on food supply per head can be very misleading here in generating a false sense of security based on the belief that so long as food output per head is high enough, no problem exists. While we have tended to debate the merits and flaws of Malthusian pessimism, what may be called Malthusian optimism has killed millions. Policymakers sticking to a false theory of famines have seen no need to take preventive action when food output per head is high and plenty of food is available in the market, while large sections of the population have been forced to starve because of their failure to command a part of the food that is available.7

The entitlement theory of famines does not deny the importance of food output. Many people command food by growing it themselves, and the price at which others can buy food is favorably affected by a larger food output. Scientific advances and changes in public policy in promoting more food production, especially in regions where it has stagnated or declined such as Sub-Saharan Africa, can be a significant part of the protection of entitlements of potential famine victims. Also, it is extremely important for famine relief to have some food available in public hands for distributing among victims or for releasing in the market to break spirals of food price rises. One of the practical problems relief organizations face today is the decline in food made available for international relief as a result of programmed cutbacks in food production in Europe and the United States. The production of food and its availability in crucial areas are indeed important for any entitlement-based analysis of famines. What that approach does deny, however, is the adequacy of concentrating only on food output and availability. It is a fuller economic understanding of the process of commanding food on which sensible famine prevention policies depend.

Economics of Famine Prevention

In preventing famines, the economic policies needed to recreate the lost entitlements are not hard to identify. While some countries have tended to favor direct food distribution, and indeed a case for going that way exists in many situations, there is the possibility of much greater use of public employment programs to generate income and security. By offering jobs to the destitute at a wage in an area threatened by famine, the potential famine victims can be empowered economically to command food. They can then buy food in the market and redress their loss of a share of total food availability. This can be combined with adding food to the market, but a more equal sharing of the available food as a result of the newly regenerated purchasing power of the potential victims, in itself tends to prevent famines.8 Such policies have been tried out with great success in many countries, including India. This kind of strategy involves a combination of state and market intervention and is put together by an informed analysis of what causes famines and how reasoned public programs can overcome these causes.

Such programs need not be too expensive, even for very poor countries. The proportion of people threatened by famines rarely exceeds 5 percent of the total population, and their share of the national pie would typically be no more than 2 or 3 percent, given that they are normally quite poor even before the threatened famine. To recreate all their lost income and to offer them their normal share of the national food supply does not, therefore, require an inordinately large amount of economic resources, even for a poor country. This is, of course, not an argument for other, richer countries to refrain from helping, but it is certainly an argument for the poor countries threatened by famines not to wait helplessly for aid from abroad.

Politics of Famine Prevention

In addition to the scientific and economic aspects of famine prevention, there is also a political aspect. A government may be capable of undertaking an effective famine prevention policy, and yet not do it. A further factor, therefore, is the political influences that make famine prevention
imperative. I have tried to argue that democracy and a free press are great forces in that direction, because a government has to respond quickly and convincingly if it has to face re-election; if it cannot censor out the terrible facts of starvation, disease, and death that go with famines; and if it has to face strong criticism from opposition parties and newspapers. It is not surprising that even though famines have happened in colonial economies and in modern authoritarian states, never has a famine occurred in a democratic country with a relatively free press.

This applies not only to the richer countries in the world, but also to very poor ones that happen to have a democratic state and a largely uncensored press. The contrast between India’s avoidance of famines since independence in 1947 (the last famine there was in 1943, which killed between 2 and 3 million people) and the huge famine that occurred in China in 1958–61, which killed between 23 and 30 million people, is important to note in that context. The fact that China has been otherwise much more successful than India in expanding health care and social security makes this contrast even more significant. Similarly, democratic Botswana and Zimbabwe had major food problems related to droughts in the early 1980s, and nevertheless escaped without any famine because of quick public action, whereas dictatorial Sudan and Ethiopia suffered enormous famines during that period with much smaller declines in food output.

Participation, Cooperation, and Criticism

The importance of political response based on democratic and pluralist critiques has to be seen in terms of the general importance of participation and cooperation in solving the problems of hunger in the modern world. Participation has to be interpreted at different levels in distinct ways. It involves working together, which can be extremely important, and I was happy to see that the statement of the nongovernmental organizations to this conference has emphasized the significance of that route. But it also involves being politically active in influencing public policy in the right direction. Democracy and a free press open the way to that, but the opportunities created have to be actually seized, and thus political activism is ultimately immensely important. Eternal vigilance is the price not only of liberty, but also of conquering deprivation and hunger.

Markets and Cooperation

The importance of politics opens up the possibility that prejudices of one kind or another can stifle intelligent use of our available knowledge. This is indeed not an empty fear. Some organizations are well known for having, in general, a pro-market and a pro-capitalism bias. Our host institution, the World Bank, has certainly had to listen to that charge (though the wisdom of my years tell me not to undertake a full frontal examination of the truth or falsity of that charge right now). Other public bodies, not to mention political groups, are more inclined toward direct public intervention whenever possible. Both predilections have their pitfalls. On the one hand, recent experiences of the world provide plenty of evidence of how dreadfully wrong state intervention can sometimes be (the Khmer Rouge’s Cambodia is an extreme example of a more general phenomenon). On the other hand, there is also much evidence of suffering caused by excessive reliance on the market, by attempts to “adjust” too uncompromisingly to the supposed “right prices,” and by the failure of the government to do those supportive things that it can do very well.

What is really needed is not in general a pro-market or a pro-state view, but to see the two types of institutions as having different functions and roles that can be mutually supportive and complementary. They both fit into a general view of participation and cooperation. It is not surprising that Condorcet and Adam Smith, who unlike Malthus argued in favor of social help in remedying individual misery, also saw the market as a great area of social cooperation. Indeed, it was that identification of coordinated mutual gain through market transactions that can be seen as one of Adam Smith’s principal contributions to the economics of market processes. The fecundity of market processes in generating economic growth and prosperity has been widely demonstrated across the world, not least in east and southeast Asia, and more recently in China. A reasoned solution of the problem of hunger in the modern world has to acknowledge the importance of well-functioning markets without deny-
ing other forms of participation through political and democratic processes, through public action and influencing state policies, and through cooperation between individuals and social institutions of different types.

Family Planning and Compulsion

I turn finally to the issue of population policy. The focus on cooperation in my presentation may be thought to be particularly unsuited to the need for forceful action to curb fast population growth rates in the developing world. Many people admire China’s policy of compulsion in cutting down the population growth rate through such measures as the one child policy and through making basic social security and economic rights (such as housing) conditional on following the government’s rules about the number of births. The birth rate has certainly fallen in China quite sharply. The last systematic calculation put it at around 22 per 1,000, considerably lower than India’s 30 per 1,000, not to mention the average figure of 38 per 1,000 of poor countries other than India and China.

It is very tempting to go on from there to recommend some forceful use of family planning to deal with the population problem, but the comparison requires more scrutiny. For example, China’s birth rate is not lower than that of the state of Kerala in India, a sizable state of 29 million people rather larger than Canada. There are wide variations in birth rates within India related to diverse social and economic factors, including life expectancy and mortality rates, education (especially female education), health facilities, and the availability of means of family planning and medical help. Kerala does well in all these respects, and the birth rate in Kerala has fallen sharply during the last few decades, from 44 per 1,000 in the 1950s to 20 per 1,000 in the late 1980s.

While Kerala’s per capita income is no higher than the Indian average, it has the highest life expectancy in India (more than seventy years, a little higher than China’s) and the highest literacy rate for general and female literacy (higher than that in China as a whole and also, for the rural population, higher than that in every province in China, particularly for female literacy). The Keralan birth rate of 20 per 1,000 is certainly no higher than the Chinese rate of 22 per 1,000 in the corresponding period, and later, somewhat provisionally, statistics suggest that China’s further fall in the birth rate in very recent years (estimated to be 19 per 1,000 by now) has continued to be matched by Kerala’s declining birth rate (calculated to be 18 per 1,000 by 1991). The respective fertility rates are similarly comparable.

Kerala’s achievements are not based on compulsory birth control or the violation of any individual liberty to decide on these matters, but by the voluntary exercise of the family’s right to family planning. As the death rate has fallen and family planning opportunities have been combined with health care and the desire of Keralan women—more educated as they are—to be less shackled by continuous child rearing has become prominent, the birth rate has tumbled. What has also played a part is a general perception that the lowering of the birth rate is a real need of a modern family; a conceptualization in which public education and participatory discussion have been very effective.

The argument for compulsory birth control relates to pessimism about voluntary restriction of family size and the eagerness to institute state compulsion instead. That gap can lead to deeply disturbing results. While China has ended up with a similar birth rate to Kerala’s, one result of the compulsion has been a much higher mortality rate among female infants and children. The traditional “son preference” in China seems to have contributed to extreme reactions to compulsory birth control measures, including possibly infanticide, and certainly a tendency to neglect female children, yielding higher rates of female mortality among infants and children. No such tendency can be seen in Kerala, where family planning has been achieved not by compulsion, but by participation and social reasoning.

Gender bias is, of course, a widespread problem that applies to India as well as to China. The bias seems to be remarkably less in Kerala, possibly because of its long history of female education. In contrasting China with Kerala, it is instructive to note the general statistics that the ratio of females to males in the population, which is substantially higher than unity in Europe or North America, is still as low as 0.94 in China (rather like India’s average of 0.93), whereas the ratio in Kerala is 1.04, and even after adjustment for emigration, the ratio is still much above unity,
roughly where the European ratio would be but for the lasting effects of higher male deaths in recent wars.  

A Concluding Remark

No matter whether we look at ways of preventing famines, reducing undernourishment, promoting general economic development, or encouraging family planning, the advantages of policies based on reasoning, participation, and cooperation would seem to be enormous. Neither defeatism nor the use of forceful compulsion provides a viable alternative without the greatest of sacrifices.

I have argued that public action can help to eradicate the dreadful and tenacious problems of starvation and hunger in the world in which we live, but that for this to happen, we must see public action in a broad perspective—involving not just the government, but also the public itself—in all its manifold economic, social, and political activities. The public is, above all, the agent of change, and not a patient to be looked after and ordered about. It makes a big difference how we see each other.

Notes


13. The average ratio is around 1.05 in Europe and North America, but this is somewhat inflated by a higher rate of male deaths in past wars. However, even when the influence of wars is taken out, the ratio remains considerably higher than unity, and relates to systematically lower age-specific death rates of females than males.
Discussant Remarks

Marcelo Selowsky

I will focus on Latin America, the region I know best, but I believe the lessons from Latin America are relevant to other countries.

Latin America today can both improve its economywide policies—which are fundamental for long-run growth and the sustained reduction of overall poverty—and simultaneously undertake radical public finance measures to immediately and sharply reduce the worst manifestations of poverty. There need be no tradeoffs here. Both goals can be achieved. The issue is one of political will and commitment. And in addressing it, I want to make just two basic points.

My first point is simple, but still not fully understood: economic liberalization and macroeconomic stability are essential for growth and sustained poverty reduction. In the long run, only growth will eliminate poverty. But past economic practices have militated against growth and poverty reduction. Let me give you some examples of such practices and suggest why they are so popular among politicians.

- Underpricing food was good for urban consumers, but bad for farmers and rural employment. It forced countries to import food at higher costs. The political gains came quickly. The winners were vocal urban groups. The costs came later and were spread among many but less vocal losers.
- Industrial protection created quick urban employment while again taxing agriculture, which had to pay for expensive domestic industrial inputs. Again, the political payoff came in the short run, while the true costs were only felt indirectly and in the long run.
- And who do you think benefited from the underpricing and rationing of credit and foreign exchange? Definitely neither poor farmers nor small entrepreneurs.
- Governments expanded money-losing public enterprises, financing them by printing money (the so-called inflation tax). And who paid that tax? Obviously not the higher-income groups who could protect themselves by investing in foreign currencies.

All these policies that economic liberalization now aims to correct neither promoted growth nor encouraged equitable sharing of the fruits of such growth. They were politically expedient policies that responded to short-term pressures from the most vocal urban groups.

And this is why reform has not been easy. It has been carried out in the face of opposition from interest groups that stood to profit from the rents created by rationing and the lack of competition. Thus, it is not surprising that most reform programs have been initiated by young technocrats with little connection to old wealth.

Now let me turn to my second point, the importance of refocusing the role of the state. Such refocusing is crucial (a) to increase the "shared" nature of the growth being triggered by economic liberalization, and (b) to reallocate public expenditures radically so as to eliminate in the short run the worst aspects of poverty. Increasing the shared nature of growth will be the natural by-product of a modern state with modern responsibilities and functions. The reformed state will no longer focus on price controls; the management of state airlines; and the production by public enterprises of
fertilizers, steel, or armaments. Instead it will focus on property rights; rural extension; public infrastructure; and investments in health, education, and training. Such investments not only accelerate the sharing of growth. Because of their high rates of return, they also accelerate growth itself. As I said before, there need be no tradeoffs.

However, even shared growth will take time to benefit the most vulnerable groups. They need to be supported now, which brings me to the theme of this conference, hunger, perhaps the most disturbing manifestation of poverty. And I want to focus on the most shocking dimension of hunger: hunger and malnutrition among young children.

In Latin America some 10 million preschool children, almost one-fifth of all children in that age group, are undernourished. The regional average, however, masks significant differences across countries. Low-income countries such as Haiti and Guatemala have an incidence of preschool malnutrition in the range of 35 percent, while in Chile and Costa Rica the figure is less than 5 percent. However, per capita income levels do not necessarily dictate malnutrition levels. In Brazil, with a per capita income significantly higher than that of Chile and Costa Rica, 30 percent of preschool children are malnourished, six times as many as in the other two countries. The ability and willingness of governments to reallocate and target social services to the most vulnerable groups appear to be more important than a country’s overall level of resources.

Economic liberalization implies decontrol of prices and exchange rates. In the short run, some of the most vulnerable groups may gain—those associated with agriculture and exports. Some may get hurt—those living in urban areas and working in sectors that contract during the adjustment. But the best way to protect the welfare of these groups is not by modifying or slowing down basic reforms essential for growth. The appropriate vehicle is a sharp reallocation of public expenditures to these groups, a strategy that is particularly important for Latin America.

In Latin America, the poorest 20 percent of the population receives about 4 percent of GDP. Public expenditures account for between one-quarter and one-third of GDP. Thus, a modest reallocation of the budget can substantially increase the level of consumption of the poor. Many countries also have significant potential for raising tax revenues by improving tax collection and eliminating loopholes and exemptions. Cost recovery in services usually provided free to middle- and high-income groups is another potential source of revenue.

What is the cost of nutrition programs well targeted to the most vulnerable groups? A World Bank study, Feeding Latin America’s Children, which compares the experiences of 100 programs in 19 Latin American countries, provides some information. School feeding and take-home supplementary feeding programs for preschoolers can be successfully implemented for less than US$75 per child per year. A program in a country with a per capita annual income of US$750 could therefore benefit 10 percent of the population at a cost of 1 percent of GDP. If per capita annual income were US$1,500, the cost would be one-half of 1 percent of GDP. Even if these costs were 50 percent higher, they are still small relative to the resources Latin American countries could obtain by restructuring their public sectors and improving their tax systems. Such targeted programs can replace the past practice of using general food subsidies as the vehicle to protect nutrition. General subsidies either misallocate resources when financed by taxing farmers or are unsustainable when financed by the budget.

To summarize and conclude: in Latin America, protecting the health and nutritional status of the most vulnerable groups is perfectly compatible with economic liberalization and stabilization. However, it requires strong reform in public finances and in the role of the state. The state must stop subsidizing particular industries through credit, tax exemptions, weak tax collection, and procurement practices that unnecessarily burden public finances. “Prestige” projects must be eliminated. The use of public enterprises and provincial governments as employment creation agencies has resulted in an enormous burden on public finances. Reforms in this area could release significant resources in relation to the amounts needed to finance well-targeted social programs. An important part of the Bank’s work today is to assist countries to restructure the state to release these resources.

However, we also need to strengthen the institutions in charge of delivering these services. In the past, the staff of these institutions have been
neglected. Salaries have lagged behind those in other government agencies. This should be reversed. These institutions should be able to attract the best managerial talent in society. Why not let their salaries match those paid by the central bank or the state petroleum company?

This overall strategy requires strong commitments and initiatives from country leaders. International institutions can support this process through technical assistance and financing. But progress will ultimately depend on the determination of governments to take decisive action.
In trying to distill the key messages emerging from several hours of discussion in the working group on the political economy of hunger, we ended up posing the following question. If the World Bank vision, as defined by us, was to play a role in ending hunger, what would the World Bank be like, what would it look like?

The practical vision that we defined was “empowerment of the poor to end hunger.” Note that the word is empowerment and not participation, because the hungry are not in a good place to participate. Empowerment, because the powerful have assets and are not hungry, and it is the poor who have few assets and who are powerless.

We were amazed at the consensus that emerged in the group, but we also knew that the moment we got into strategies and allocation of resources, that the apparent consensus would dissipate very quickly. And so we also suggest that this goal of empowerment of the poor to end hunger be the overriding goal and the indicator of success against which impact and performance be measured.

We then moved on to leadership and the key role of leadership in generating the will and the commitment to end hunger. This has to be a two-pronged approach. The first is to start now. We need to create the political will to address the problem on an urgent basis. We need to move beyond being depressed and overwhelmed at the enormity of the problem, and move to committed action now. However, we also recognize an important second prong, which is to focus on solutions that last, and this whole area has to do with institutional reform. The institutions that we would like to see would have the following characteristics. They would be accountable to the poor and hungry; would look, listen, and learn; would be transparent; would open up and share information; would trigger the release of funds close to the ground; and would not just count the poor, but would count on the poor, that is, bank on the poor for economic development to end hunger and poverty.

The last area that we thought was important in generating the political will across countries, all countries, was constituency building and organizing pro-poor constituencies in all countries, in the North and South. We had a lot of discussion about mechanisms, how this would actually happen, at the local level, at the national level, and at the international level. Many issues were raised about the need to work simultaneously at different levels.

The most important point is the linkages between micro and macro actions. We put the community at the center of focus because large institutions tend to focus on the macro level and forget to trace back the impact at the community level or the micro level. Both are important, and by ignoring one, action at either end is ineffective to end hunger.

Last is the issue of gender, and first is the issue of gender and empowerment of women, and we did not know where to put it in. We felt it needed to go in everywhere, but there is also a fatigue with gender issues. In the end we decided to put a G from the top to the bottom, from the practical vision down to the mechanisms and at the community level. And then I forgot. And so my last message is let’s not forget again.
I am going to describe the practical recommendations that arose from this vision that Deepa has just described. We did not want to dissipate our energy and time in the workshop on the political economy of hunger, so we focused our recommendations on the actors that are here, the ones that we can affect by our discussions this week, and those are, of course, the World Bank and the national leaders and the people of the United States. So I will limit my comments to those actors.

We took as our beginning assumption that the World Bank is making, here and now, a commitment to play its part as a leader in ending world hunger. To accomplish this goal it will have to make a radical transformation in at least four areas, namely, its agenda, its competencies, its operating procedures, and its structure. From our discussion in the workshop, we believe that the World Bank can make the transformations we recommend within the existing Articles of Agreement, so there is no hiding behind problems in that area.

First let us consider a transformation in the Bank’s agenda. The most important point can be encapsulated in the phrase “first do no harm,” and that involves macroeconomic reforms that must be designed with the poor and the hungry in mind. So our recommendation is for the Bank to ensure that measures to compensate the poor and the hungry, at the very least, are in place before Bank-promoted macroeconomic reforms are initiated. We believe that NGOs can be enlisted to monitor compliance with this particular recommendation.

The next step is to act on the recognition that participation is the only path to development success. That means stop temporizing and move forward with implementing the recommendations of the Bank’s own Participation Learning Group. At a minimum, many countries have national women’s organizations, and wherever they exist, starting now, pledge to involve them in all stages of Bank operations.

Next in the area of transforming the agenda is leadership, and I think that could be first or last. This is where the emphasis needs to be. The Bank has a significant influence on governments and on international institutions. So use it. Put elimination of hunger at the top of the discussion agenda with these bodies.

The second area of transformation is in the Bank’s own competencies. A lot of us have felt for a long time that the Bank is unsurpassed in amassing resources, but has some problems in figuring out how to spend them. So first, build the skills of listening. As we all agree that participation and participatory development should now be the centerpieces of Bank operations, hire people who know how to do it.

Next, the skills mix has to change. Sociologists and anthropologists simply must be part of every Bank policy review and operation.

Then open the door to NGOs in reality. The Bank should be required to show evidence of the involvement of representatives of affected people in all policy dialogue, sector work, and project formulation. We had a specific recommendation to others from our workshop, which is to establish a permanent representation of southern
NGOs in Washington to facilitate this involvement of local people and NGOs. So to the Bank, when that happens, when it comes, use it.

Finally in the area of competencies, there really cannot be any more excuses for using international consultants when local experts are available.

The third area is transformation of operations. To begin with, indicators of success must be linked to actual impact, and we recommend that the relevant indicators in the area of hunger are, quite frankly, very simple: one, fewer hungry people; two, an increase in the quantity and quality of assets of the poor; and three, an improvement in the status of women.

Next, the incentives for the staff must be linked to these indicators of success.

Finally, we can see an important new role for the Bank in supporting community capacity building, specifically in two aspects. One, a significant percentage of loans and credits should be channeled through decentralized relending mechanisms, such as community banks and women's banks, providing micro credit and training to the very poor. Two, a small amount of grant funds would be appropriate to permit NGOs to become seriously involved in research and debate with their national governments and with the Bank, but that money must be channeled through intermediaries to preserve the NGOs' autonomy.

The fourth area of transformation is in structure, and here there probably are several other aspects, but we emphasize two. One is to get to know the people that you are affecting, and to us that means establish a serious field presence. Experts flying back and forth from Washington cannot accomplish the agenda that we are setting out here at this conference. The second is to practice what you preach by making the Bank's own structure more participatory and transparent.

The second major objective of our comments is aimed at the leadership and the people of the United States, as I mentioned earlier. We do recognize that many other actors are equally responsible for the current unacceptable prevalence of hunger and poverty, and many others whose actions would make an important difference in ending it, but the one individual nation that can make the most difference is still the United States.

Therefore we call upon our own people and our own leadership to do three things: first, support realistic assistance, that is, foreign assistance in the form of putting people first, something we have heard a lot about in the last couple of years. It applies both at home and abroad. Now that we understand so many of the causes of and solutions to extreme poverty and hunger quite well, this would be the saddest moment for the United States to cut its support for the kinds of programs we know would help, like participatory programs for women's education and health, small-scale credit and child nutrition, and famine prevention.

As many of you know, current administration plans call for cutting U.S. development assistance by perhaps as much as 50 percent in next year's budget. We, the people of this country, must become an organized constituency for realistic targeted assistance to eliminate hunger, or else we will forever be shelling out more money when television pictures of famine periodically shame us into action that is too little and too late.

The second action is participatory research. It is something we all know about, and both NGOs and government bilateral programs must actually start supporting and learning from the communities that we are trying to help.

The third action is to build a sense of community around this issue of hunger and poverty.

Hunger really is the same all around the world. We cannot forget that we have a Third World within our own country, and the same kinds of participatory self-help programs that we want for our own inner city neighborhoods and our rural areas are exactly what we are talking about here this week. Foreign assistance actually is not so very foreign after all.

So to all the NGOs here, the church groups, the labor groups, the universities, and others we recommend that we commit ourselves here today to making our colleagues, our students, and our members aware that the ongoing disgrace of massive hunger all around this world of riches does not have to continue.
Floor Discussion

A number of participants commented from the floor; then the speakers responded.

Participants' Comments

First floor participant: I see a real change in what the World Bank is doing now, not just in development, but in ending poverty. My question is, a year from now, what will the World Bank look like? What changes will it have made to make itself a tool for ending poverty? What indicators will it have to indicate that it has made a difference for the poor?

Second floor participant: The World Bank was originally founded to encourage and create development in the developing world, and it has largely accomplished that mission and has established a foundation upon which to build in the next thirty years. It has accomplished that mission largely by operating from the top down. But from the comments from participants, it is clear that this needs to be wedded with a bottom-up approach, both in terms of its projects and structural readjustments.

So it seems that we are dealing with a new approach that is using the best of both worlds, the top-down macroeconomic approach through development projects wedded with the bottom-up putting people first approach, which really reaches the poorest of the poor, those that have not benefited from the economic growth of the last thirty years. So I look forward to what the Bank can do to use both methodologies together to leverage its power and its influence.

Third floor participant: The comment that I have to make concerns the distinction between the development of countries and the development of their people. We have experienced in this country and we have seen around the world how nations' economies can improve, while the well-being of their people does not. A two-pronged approach, the furtherance of countries' economic development and the empowerment of people at the bottom of the economic scale is what is required to see a world without hunger and poverty. The Bank tends, I believe, to look at countries first, but I think it needs a shift in priorities.

Fourth floor participant: It is time for the Bank to move ahead on participation. You have had two years of studying, you have done a great deal of experimentation. Now the participatory method should not involve consulting people about what bankers do, but should be about people being the principal actors in anything that involves communities or households. The Bank, which is the principal way of getting money when bilateral donors are reducing their contributions, must move ahead and mainline participatory activity. Take some risks. We will support you. There will be some mistakes, but move ahead now.

Fifth floor participant: My question concerns a practical expression of participation. When I think of the political power of participation of a women's handicraft collective or of a fishermen's association, the first and the most practical place where participation could occur is in local gov-
ernment, and there has not been much discussion of local government. I know that Professor Sen has looked a great deal at the relationship of democracy and hunger, and I want to ask him what he sees are the practical means whereby government reforms, economic reforms within the public sector, could empower democratic participation in local government, how the transfer of resources to local governments could make a difference in participatory and more flexible approaches to ending hunger. As Marcelo Selowsky did mention local government, I would like to ask how the World Bank has succeeded or failed in bringing about this transfer of resources and meaningful power to local government.

Sixth floor participant: During this conference I have heard criticism of the World Bank that surprises me. I want to take some exception, with due respect for the spirit of this audience. I refer to the field of nutrition. I think that the Bank has done a great job in this field, and that without it we would be worse off. I am not referring to the phenomenal, exponential increase in the amount of money being invested. I am referring to the increasing number of mothers and children that are being served through governments and nongovernmental organizations. In reducing malnutrition these organizations are averting death and improving health and resistance to disease. Although we have learned that hunger has so many different faces, and therefore so many different demands, I hope that the Bank continues this trend in nutrition that it has done so well so far. Without it, the international community will never be able to reach the goals it is currently reaching.

Seventh floor participant: I think the World Bank has done a lot of valuable work in the past, and I am encouraged by what seems to be a willingness to investigate new directions. But at this conference, so far we have only heard about ways to improve the lives of the poor. We have had little or no discussion of the earth's limited ability to sustain this linear growth model indefinitely, especially given current levels of resource use and waste production. Robert Ropetto at the World Resources Institute, the World Bank's own Herman Daley, and other worthy and reputable economists have proposed other models, including a circular or cyclical model of resource use and a steady-state model. I would urge the World Bank to incorporate these ideas and use its influence to help national governments begin the absolutely vital shift in economic measures and in the system of national accounts to reflect the depletion of natural resources and the potential of human resources. Perhaps the World Bank staff could address what a shift to such a model of economic accounting would have on world hunger and on poverty alleviation.

Eighth floor participant: On behalf of the southern NGOs, I want to say that we are going to call upon people like Tony Hall, Jimmy Carter, Boutros Boutros-Ghali, and others to work with us to hold the Bank directly accountable to the statements of support and commitment to a different approach that have been made here during this conference. We are going to ask these people and others to monitor every single step and action that the Bank is taking or not taking to ensure that the proposals contained in Barbara Bramble's report become reality.

We might want to examine why it is important that some of these proposals come to life, and in this regard I want to share with you a few observations about the comments from the two speakers. There is a constant harping on the fact that if people have more money to purchase food that will lead to an end to hunger. I know you are not saying that is the only thing, but to many of you it is probably the most important thing. We must question this overemphasis on income being the critical element, because it runs the risk of avoiding some of the underlying factors that are being put aside by the model of growth being perpetuated by the Bank, other international institutions, and many prominent thinkers in the area of development. These underlying factors include, for example, the fact that in poor societies and communities, income is not only cash. Income is goods, income is services, income is natural assets, income is intellectual property and local knowledge, income is the unpaid labor of women. If economists do not have tools that can measure these forms of income, that is no reason to exclude them. What we, as NGOs, can do is to contribute new tools, new skills, and new means of diagnosing the underlying causes of hunger that would allow them to be factored into the response to hunger.
Another reason why cash income must not be allowed to assume center stage in this matter is because in poor societies, when money is made available, and maybe this is true of countries in the Caribbean and Latin America more than elsewhere, money does not always get spent on food. Poor people spend it on televisions, video cassette recorders, designer jeans, drugs, guns, and so on. So the key to eradicating hunger is not just a question of income.

Ninth floor participant: Having served on the World Bank NGO Committee for five years representing Interaction, I have observed that for programs or new directions to take hold within the Bank it requires not only a strong commitment from the top, but operational directives, which are the Bank’s mechanism for establishing new objectives. Often, the argument I have had with the Bank is that the staff are already overloaded, and that the focus on poverty alleviation will take care of the problem of hunger. But if you look back at the operational directive on the environment, it took years to drum it into the Bank’s process. It is going to require a commitment within the Bank that goes way beyond simply having a conference, no matter how good this conference is, on overcoming global hunger.

A second point is that we always hear that the Bank is the instrument of governments, and that the leadership of the Bank, as the world’s largest and most influential development instrument, requires it to exert more pressure on governments to use loans and to have more conditionality tied to their loans. Unless the Bank not only recommit itself as the recommendations suggested, but also uses its power to bring the same force to bear on the governments that it is lending to, I fear that the role of NGOs and the strengthening of community groups will simply not be affected.

Tenth floor participant: I have a question for Amartya Sen. What is the basic message to nations to end hunger, because at the end of the day a change of political will among countries’ leadership is a must?

Speakers’ Responses

Amartya Sen: One of the questions was about local governments, and I could not agree more about their importance. The active agency I was discussing in my talk is very much the local government, in particular, the local government’s role is paramount in the spread of education, especially female education. One way to understand why a state like Kerala could have such a completely different record from the rest of India is to understand something about the nature of local government there.

The issue of local government is central, even in the context of the West. For example, why do different European countries have different expressions against immigration, different racist feelings? Consider, for example, Germany, France, and the United Kingdom. One of the great advantages from a British point of view was the accident of commonwealth. As soon as the immigrants arrived they automatically had the vote, which meant they took part in local elections, and that has probably been the strongest factor operating against the growth of Nazi-like parties in the United Kingdom.

I quite agree with the gentleman who said that income is not all. It is not the case that all economists think that income is the only variable to look at. I would like to suggest you read an article I wrote on exactly that subject in Scientific American in May 1993 called “Economics of Life and Death.”

I also agree with the importance of political will and the role of organizations like Grameen Bank. These organizations have played a key part in the changes that are taking place in Bangladesh.

Shahid Husain: Let me underline some of the basic points that Amartya Sen raised before I respond to some of the comments on the World Bank and its programs. I would particularly like to stress his point that experience since Malthus shows that the pessimism about the inevitability of hunger was unfounded, but at the same time the availability of food can coexist with hunger. The key issue is whether the poor, the hungry, have the income and the resources to command food or not.

Amartya Sen underlined the importance of both state action and the market as important ingredients in combating hunger and poverty, and particularly enlightening was his comparison between the experiences of China and Kerala, which showed how in the democratic, participa-
tory and basically enlightened state of Kerala, indices of fertility, birthrate, literacy, longevity, and nutrition have been achieved that many assumed could have been achieved only in a totalitarian and repressive society. He went on from there to advocate an increased participatory approach, one that takes into account the importance of people not simply as subjects of government policy, but as actors and decisionmakers.

About the World Bank, I am sure most of you are aware that it has been changing radically. We do not argue that hunger and poverty can be solved simply by economic growth, but we do believe that economic growth is essential, and that goes back to Sen’s point, that unless you create jobs, you cannot achieve a sustainable reduction of poverty and hunger.

Let us look at the World Bank’s approaches in Latin America as an example. We are working on three or four basic approaches. Returning to the point that without economic growth, a country cannot resolve the issues of employment, hunger, and income, we are promoting and stimulating economic growth. We have stimulated a fundamental reform of the state based on the premise that a bankrupt state cannot do much to alleviate poverty and to create jobs. A state whose subsidies have little or no direct impact on the poor is not equipped to alleviate poverty and reduce hunger. Therefore, one of the basics in our work on the reform of the state in Latin America has been to create the state’s capacity to redirect its resources to areas such as basic education, basic health, nutrition, local work programs, and the divestment of both resources and responsibility, particularly in the social areas of local government. In countries such as Argentina, Bolivia, Jamaica, and Mexico and in the countries of Central America this approach is beginning to bear fruit.

However, we also agree with the thesis that economic growth by itself is insufficient. Therefore, the Bank and countries have to work simultaneously on specific approaches that take economic opportunities to the less privileged. In this context, in economic adjustment programs we now routinely incorporate measures to safeguard social expenditures and to increase the availability of resources for them by stimulating and supporting the organizational change, incorporating NGOs in this work, and encouraging decentralization.

Simultaneously, World Bank lending has shifted toward lending for basic education, health, and the environment under the conviction that ultimately the people who suffer most because of environmental degradation are the poor and hungry. In Latin America 30 to 40 percent of our resources are now going into these areas.

We fully agree with those who suggest that an institution such as the World Bank cannot function simply on the basis of disembodied economic aggregates, that ultimately behind these economic aggregates is a variety of institutions, at the central level, at the local level, at the non-governmental level. If economic and social programs are going to be worthwhile and if they are going to produce results, then people must participate in administering these programs through local governments and through NGOs.

We have a mission and our mission is to alleviate poverty. However, we recognize that we are but one actor in this drama, and that the principal actors are people and governments in the actual countries. While from the outside we can stimulate, we can finance, we can provide technical assistance, we can provide some expertise, all these efforts will be of no avail without political will and participation, and that is why we are encouraged by the growing democratization of the developing countries and the growing possibility of broader participation by the people of developing countries in the development process.
Special Address

NGOs and International Organizations: Developing Collaboration to Fight Hunger

Jimmy Carter
NGOs and International Organizations: Developing Collaboration to Fight Hunger

Jimmy Carter

The sponsorship of this conference by the World Bank is truly admirable, and we at The Carter Center have found the Bank's most recent World Development Report, which correlates sustainable development with health and nutrition, to be particularly innovative and helpful.

I speak today not as a former president but as the leader of an NGO, one of hundreds that are deeply committed to resolving the problem of hunger. Like many NGOs, The Carter Center is free to try new ideas and is eager to cooperate with others. In some ways special, we have almost unequalled access to top leaders in the news media in all nations and in the international community, and also unlimited opportunities to visit farms and villages that are afflicted with poverty or disease. Despite these special advantages, our center is inadequate to resolve major problems when forced to work alone.

We have many projects, several dozen in fact, most of which are in African nations. We know that people suffering from starvation are more likely to erupt into civil war, and that in a war-torn society starvation is almost invariably prevalent. The afflictions feed on each other. We have found that peace, freedom, democracy, human rights (including the right to food), and the alleviation of human suffering are inseparable.

The next point is, perhaps, the most important lesson to be learned today. About eight years ago, the major health organizations involved in child immunization acknowledged that despite their best efforts, they were unsuccessful acting individually. The World Health Organization, the United Nations Children's Fund, and others did not communicate or cooperate with other agencies with the same goals, and at times even competed with each other. They came to The Carter Center, and the Task Force for Child Survival (now with "and Development" added to its name) was formed. Within the next five years, with little increase in total funding or personnel, the portion of the world's children immunized against polio, measles, and other common diseases increased from 20 to 80 percent!

This has been an exciting and gratifying success. The sad fact is, however, that except in the field of health and in the holding of elections, we have found it almost impossible to cooperate with any major official agencies. Along with other NGOs, we have been excluded from the development of team efforts to deal with hunger and other crucial issues. Almost all agencies, including the World Bank (and perhaps even The Carter Center), jealously guard their turf and hesitate to admit failure or that the participation of others could improve their effectiveness.

There have been many hunger conferences like this or even on a more global scale, with admirable motives. However, grandly stated goals are rarely met, and most new agencies created soon fade away or, perhaps worse, become lethargic bureaucracies that sap away and waste scarce funding and qualified personnel.

How can the specific problem of hunger among the poorest people be overcome? Can food production be increased in time of war? Can poor government policies be voluntarily modified? Can technology be introduced without destroying the native culture? How can the importance of health
and nutrition be emphasized? We must find the answers to these and many more questions.

Many generic problems exist. The following are about a dozen of them:

- Major agencies are reluctant to change basic policies, even in the face of failure. Although global per capita food production has increased, few successes have occurred in Africa, where the number of hungry people, currently around 200,000 (40 percent of the population), is still rising dramatically. The number has almost doubled in the last twenty years in Africa, while remaining about the same in the Near East and in Latin America, but approaches rarely change.

- There are too many fragmented, uncoordinated, even competitive programs within a given nation. Some, like Kenya, with pleasant living in Nairobi, are flooded with agencies. President Moi told me that more than 200 were devoted to health, speaking with conflicting voices, and whose representatives his health officials could rarely even meet. Other nations, much more destitute, are almost bereft of assistance from these same agencies. Local leaders, often first or second generation guerrilla fighters with little training in economics, health, agriculture, long-range planning, or management, are confused by the cacophony of advice, entreaties, threats, and offers of assistance, and tend to grasp at straws.

- Program managers are moved around too frequently. I know of no country in which one person is responsible for the long-term success or failure of an aid project to reduce hunger.

- NGOs are mostly excluded from participation in a comprehensive approach to alleviating hunger, either in its conception or its consumption. Also, coordination among the major national and international agencies is inadequate. For instance, I understand that while the World Bank is rapidly increasing its emphasis on nutrition, the U.S. Agency for International Development is relegating it to a lower priority because of serious budgetary constraints.

- Public interest in hunger has waned because globally there is enough food. Inadequate attention is given to the critical problem of unequal distribution of food either internationally or within nations.

- We fail to acknowledge that disease is still the greatest cause of malnutrition. Increased emphasis is needed on health and on the impact of river blindness, Guinea worm, and other parasites on the production and use of nutrients. Realizing that people can eat enough and still be malnourished, the recent conferences at Bellagio and Rome have emphasized the importance of such crucial dietary elements as vitamin A and iodine.

- Protectionism in rich nations is a cruel and most often ignored affliction on starving people. Officials of the General Agreement on Tariffs and Trade estimate that the annual cost of protectionism is US$300 billion, compared with total aid levels to the Third World of US$55 billion. The export of highly subsidized and surplus grains to developing countries
tends to kill domestic food production. Artificially low prices for domestic grain reduce incentives for production; in Tanzania it now takes four times as much maize as it did just five years ago to buy a given package of necessary imports.

- Deforestation is rapidly becoming the most critical issue in many poverty stricken areas. Mothers and their children need more and more time each day to find enough wood for cooking, and in many communities the last trees are disappearing as more people seek fuel.

- Perhaps overriding all other issues in the long run is population growth. Even if a country could sustain a 2 percent annual increase in food production, continuing starvation is almost inevitable with a 3 percent growth in population. Women must be educated, infant mortality must be lowered to convince parents that they will have support in their old age, family planning programs must be developed and supported by political leaders, and practical contraceptives must be made available. There must be some better coordinated worldwide approach to this highly emotional subject. Because of its political sensitivity, NGOs might play a special leadership role in a global family planning effort.

Most of you in this assembly know more about the hunger issue than I do, but we at The Carter Center have recognized the crucial problem and have tried to address it in our own way. Let me be presumptuous and describe some of our efforts, often in the face of previous failures and a sense of pessimism.

In 1986, under the technical leadership of Dr. Norman Borlaug and financed by private donors, notably the Japan Shipbuilding Industry Foundation, we launched a program to increase the quantity and quality of food grains produced in a few countries in Africa. We began with two each in the northern and southern hemispheres. Necessarily, these efforts have been narrowly focused and limited in scope. Since then, we have had 150,000 farm families in seven nations in this program.

We have learned a lot, sometimes the hard way. Whenever possible we have combined our efforts in health, nutrition, and agriculture. In general, for food production alone our approach has been based on the following lessons Dr. Borlaug learned during the green revolution in India and Pakistan.

- Top national leaders must share responsibility with the donors. We meet personally with the nation's president and the ministers of finance, transportation, agriculture, health, and education. A memorandum of understanding is negotiated and signed that specifies the roles that we and the local government will play. On subsequent visits by me and Dr. Borlaug, these officials are invited to visit the fields and test plots with us. Local people are given maximum credit for successes.

- We always emphasize self-reliance. Habitually, we provide only one or two agricultural experts per country, while the government furnishes the dozens of extension workers who are then trained to work with assigned groups of farm families. We place a time limit on our participation, and require that farmers graduate from the program after a couple of years to permit our limiting the scope of our effort while extending its coverage to more and more communities.

- The poor people are directly involved, and do more than any others to shape the final program in their villages. The degree of participation has been amazing. I went to one Sudanese community south of Khartoum for a two-hour sorghum production workshop, where we expected about two dozen farmers. More than 1,000 came, some having walked 20 miles, and they insisted that the session be expanded to an entire day. In Benin and Togo I have visited farm families at harvest time who were carefully weighing their maize; storing it in common bins where rodent, insect, and moisture damage is minimized; and having their accounts credited. Each group had already accumulated net profits of more than US$6,000 from previous crops. With this money they were renovating homes, buying oxen, and improving their village water system. We are all concerned about employment, but we should remember that a successful farmer has a good job. One Tanzanian farmer, who lived near the base of Mount Kilimanjaro, was proud of his harvest of twenty-six bags of maize, comparing it with his previous high yield of six or seven bags on the same fields. He told me that his two sons, who had moved
to Dar es Salaam to seek a livelihood, would now be returning to the farm.

- We promised to place a heavy emphasis on women. In one country, for instance, I was invited to visit a master farmer, honored for two successive years for his achievements. The entire village was assembled, his two plaques were prominently displayed, and he welcomed me in a shiny black suit. During lunch, served by his wife, I asked to visit his crops, and he reluctantly agreed. When we arrived at his superb field of corn, I asked him what variety he used. After some hesitation, he turned to his wife and learned the answer. The same procedure was followed concerning fertilizer, frequency of cultivation, and other questions. It was obvious that his wife had been the outstanding farmer, and that the award winner was only familiar with the family’s few cattle.

- We try to make a minimal impact on the people’s culture. Most families still plant their small crops with sharpened sticks and cultivate with hoes. Only as a community group are they likely to advance even to a few oxen for breaking land.

- We introduce advanced technology when appropriate, however, with the finest seed available, the planting of large numbers of plants in contour rows to control erosion, a moderate amount of the proper fertilizer, and adequate storage of harvested crops using local materials. In Ghana we helped to introduce Quality Protein Maize, a high-yielding variety developed in Mexico that is tasty, has a good texture, and contains all the amino acids that are missing in all other maize. Hundreds of acres have now evolved from the few pounds first provided. It is our hope that these seeds will be distributed to all nations.

- In annual meetings involving top government officials, agricultural experts, farmers, and others we frankly assess our successes and failures. We have seen some tangible results. On the average small farm, yields have been tripled. In Sudan, despite the ongoing war, wheat production was increased from 150,000 tons in 1987 to 850,000 tons in 1992, our final year. In Tanzania alone, 437 extension workers were trained, along with 32,691 farm families. (Our expert here has moved to Ethiopia, where an agricultural program was initiated this year.) I have already mentioned other results, and we produce complete reports annually.

- By requiring maximum local responsibility, limiting our bureaucracy to one agricultural expert in a country, using modest quarters, and with tight control over vehicles and supplies, we have had minimal costs of about US$800,000 per year per country.

Despite these positive results, expanding them appreciably or building on them is impossible without greater correlation of efforts with other official agencies and NGOs. Also, we know that while we are still working in a country and exerting our influence, the farmers are more likely to get good seed and proper fertilizer on time, have access to needed credit, and receive adequate prices at harvest time. When we leave, conditions are likely to deteriorate.

Perhaps our cumulative ideas at these sessions can be tried in a few places, just to prove somewhere that they are good ones. Ethiopia, just recovering from thirty years of war and with a receptive government, might be one of the good places to start.

Recognizing that development aid in general has been relatively ineffective, United Nations Secretary General Boutros-Ghali and I cochaired a conference last year, sponsored by Carnegie Corporation, to assess what might be done. The World Bank and other major agencies attended, and we derived the final conclusions from them. One proposal that is being initiated is called a “global development initiative.” First in Guyana and then in one or two other countries, we will attempt to forge closely coordinated task forces of donors on the one hand and recipients on the other. The lessons learned can be applied in many other countries.

Hopefully, we can develop a more effective way to alleviate hunger using some of the principles outlined by all of us here in these sessions. Although past experiences make me skeptical, I hope that this conference will result in common action, and not in just another beautiful report and the creation of another agency. We are eager to cooperate, adding our small capabilities to an overall effort. Success or failure in reducing hunger worldwide will depend on all of you—and on me.
Floor Discussion

A number of participants commented from the floor; then the speaker responded.

Participant’s Comment

First floor participant: I would like to put in an appeal. Tribalism in Africa is very destructive. The present government in Ethiopia has introduced tribalism in a big way. I think perhaps the Carter Institute should look into it very carefully and find out what its impact is going to be. Putting pressure on people to build up political parties along tribal lines in a society that has been nationalist for about 1,000 years or more is not going to help the development process. The signs already suggest that conflict is likely, and that Ethiopia may go the way of Somalia.

Speaker’s Response

Jimmy Carter: In our own programs in Africa and elsewhere, like the World Bank, we try to deal with the needs of the people in the country regardless of the character of the government, or even of how popular the government might be, because quite often, under the worst of dictatorships or in the midst of a horrible war, as has been the case for the last eight years in Sudan, the people tend to suffer more than in a stable government that has an attractive leadership.

This is one reason we went into Sudan in the middle of the war to increase the production of sorghum and wheat. I hope that in the case of Ethiopia, whether you agree with the government’s policies or not, this might be a situation where a comprehensive approach to alleviating hunger and malnutrition might be tried.

Another thing is that we generally go into those countries that are most in need, the ones that are suffering more. We have programs, for instance, to eradicate guinea worm. Obviously we do not need to go to countries that do not have guinea worm. We have never had a program in Botswana, by the way, because Botswana does not need help. Botswana, because of its inspired leadership, is able to help others.

So regardless of the political environment, we do try to go in and give assistance.

Participant’s Comment

Second floor participant: Some of the concerns expressed during the last two days revolve around the issue of popular participation in the creation of macroeconomic policies, and you alluded to the North American Free Trade Agreement debate here in the United States. Many people feel like me that the popular will and expression of the people was not reflected by Congress’ passage of agreement.

We find this happens often with the partners that we work with in the South. No matter what people do to express their will about the misuse of macroeconomic policies, about foreign intervention in economic policies, no matter what they do to try and speak up to protect their livelihoods and their lives, they are not listened to. I would like to ask you all how you will help create an economic system that is responsive to the needs of the poor.
Speaker's Response

Jimmy Carter: I am not qualified to answer that question, except to say that there is no clear delineation between microeconomic and macroeconomic approaches to hunger. As former Speaker of the House Tip O'Neill said, all politics is local. The macroeconomic policies that are troublesome in a country almost invariably relate to the individual family and to the village, so what we do is have our scientists work directly with the extension workers and the farmers, and they report directly to me and to Dr. Borlaug, independently of the government, because quite often the government's policies are totally contrary to those of the village or of individual farm families.

But to answer your question, how to put together a combined microeconomic and macroeconomic policy in the entire world to eradicate hunger is a very challenging issue, which I am not qualified to answer.

Participants' Comments

Third floor participant: There has been a lot of talk about participation in the solutions for overcoming global hunger, and I would like to encourage everyone to continue encouraging dialogue among many groups, including talking with young people, students, and women all over the world. I would like to take this opportunity to invite you to the Student International Conference to be held next June. The theme is science and technology for the twenty-first century to meet the needs of the global community.

Fourth floor participant: I would like to speak about a rather taboo subject and encourage you to speak out on it, and that is female circumcision, which is being done to 8 million little girls across Africa. All of us in this room, men and women, can help stop this maiming of women across Africa that causes unbelievable pain in childbirth and human degradation.

Speaker's Response

Jimmy Carter: In one of the addresses at the World Conference on Human Rights in Vienna last spring I emphasized this topic of female circumcision. I hope it is something that does concern everyone here.

Participant's Comment

Fifth floor participant: I understand that there is, on average, 0.6 acres of land per person. Yet the industrial countries have 1.1 acres per person for consumption, and this could be explained by their meat-intensive diets. I wonder whether development will increase a transition to a Western diet and what that means for global food security.

Speaker's Response

Jimmy Carter: When I was president, I had a presidential task force on hunger, and one of the main issues addressed at that time was the extreme waste of energy used to transfer grain through an animal into food for human beings. It costs about seven times as much for a given level of nutrition if you feed a sheep or a goat or a cow and then eat the animal.

This change you mention has happened in some countries, and the one with which I am most familiar is Egypt. Egypt used to be self-sufficient in grain production when it concentrated on grain. A few years back I went up the Nile River, and alongside the Nile few people were growing grain for human consumption. They were growing grass to feed goats to eat or to sell. They were taking U.S. program 480 wheat and making bread out of it, and sometimes they were making bread to comply with the law, but were feeding the bread to their goats so they could eat the goat meat. Not only is eating red meat not good for the health, but it is a tremendous waste of an arable acre of land or the productivity of a farmer, no matter what size the landholding. This is a good point.
Final Session

Commitment to Action
The American University's Bender Arena, host to over 1,000 conference attendees.
Over the last two days, one message has permeated the proceedings here: we cannot distance ourselves from the problem of hunger. Most of us understood this when we convened yesterday, and I hope that the news media will convey this message to the people of the United States and the citizens of the industrial world. Food is the most basic measure of empowerment, and the hunger and malnutrition of perhaps a quarter of the world’s population threaten the industrial world and its economies, its interests, and its moral stature.

Under the Clinton administration, the United States Agency for International Development (USAID) has made the pursuit of food security a strategic goal. We believe that food insecurity is part of a larger danger that the World Bank and the international community must address: the phenomenon of failed states. Societies implode because of persistent poverty, because of unsustainable population growth, because of abuse of the environment, and because of autocracy and oppression. In every one of these causal factors, hunger plays a role, and its consequences must be seen in this larger context:

- Hunger is an issue of broadly based economic growth, especially among the very poorest, because when people are uncertain whether they will eat that day, they cannot be economic participants, except in desperation or as supplicants.
- Hunger is a population issue, because as Lester Brown has noted, the quantity of food in the world is stabilizing, but the curve of population growth is still going up. Poor nutrition is intimately connected with poor maternal health, high rates of infant mortality, and the disempowerment and illiteracy of women, the very factors that drive up birth rates.
- Hunger is a health issue, because persistent malnutrition makes people vulnerable to endemic disease and epidemic infections, and condemns them to unhealthy and unproductive lives.
- Hunger is an environmental issue, because food insecurity drives people to exploit marginal lands, misuse water supplies, exhaust soils, and deforest the land.
- Hunger is a democracy issue, because empty bellies make freedom difficult to sustain, and because the availability of food and access to it say much about the consolidation of democracy in nations that are emerging from state domination.

Our approach is profoundly simple:

- We believe that prevention is the most inexpensive investment we can make.
- We believe that conserving and building on existing economic assets and systems is cheaper than rebuilding them.
- We believe that by helping people achieve food self-reliance, we can help them unleash their productive energies in a hundred different ways.

Progress has been made. In many parts of the world agriculture is being conducted in ways that better address the quality and quantity of food produced. In a number of nations agricultural incomes have increased, hunger and malnutrition have declined, and rural society has been stabilized. In Central and Eastern Europe and some of the
Needed: Food Security in a Hungry World

In the republics of the former Soviet Union the benefits of privatization are becoming evident. In Indonesia, the Republic of Korea, and Thailand sustained development has produced real food security.

On the subcontinent hunger remains a problem, but India and Bangladesh have steadily reduced the threat of famine. Progressive policies, flexible planning, and liberated market forces have given them a margin of resilience.

In Central America high value agricultural exports, which draw on broad participation by small farmers and business owners, are increasingly significant. Their impact is evident in the faces of rural and urban children who are better fed, among farmers who now have disposable incomes, and among an emerging middle class. In Guatemala it was these people who understood policies depend on the survival of democracy, and who last summer came into the streets in democracy's defense.

In the Dominican Republic, Tanzania, and Thailand simple food preservation technologies have made food rich in vitamins available year round. These programs, which emphasize community participation, simultaneously increase food production, access, and consumption and household incomes.

In southern Africa we can speak of the 1991–92 famine that never was, the thousands of lives that were not blighted, the tens of thousands who were not displaced. We can speak of this phantom famine not because drought did not occur—it was one of the worst of the century—but because the nations of the region cooperated as never before, used their particular strengths, and attended to the concerns of their neighbors.

I am proud that the USAID made a contribution to this famine that never was. We will build on this legacy. Yet despite the progress, more than a billion people still go to sleep each night and rise each morning with food paramount in their minds. A billion more suffer from hidden hunger, the lack of sufficient vitamins and minerals in their diets. Throughout the world food insecurity has a devastating effect on child mortality, productivity, and economic development.

Hunger is not an abstraction. It is a profoundly human issue, and it demands our attention. Food security and famine are two sides of the same coin, and if we are to address the issue of hunger in the developing world, then we must focus on the factors that determine whether people eat or starve.

We believe that economically advanced nations and the donor community have a responsibility to strengthen agrarian economies and enhance food security in the developing world. This is in our own interest, for we can help arrest economic migration and political turmoil, help nations achieve broad economic growth, and create markets for our products.

Because food issues are critical to overall development and often determine the extent and recurrence of famine, the USAID will structure its programs—especially in agrarian countries that are subject to famine and other disruptions of the food supply—to encourage the establishment of flourishing agricultural sectors. We will do this by addressing policy issues, marketing factors, and farming practices and technologies, the elements that determine whether local capacity will increase or decline.

Our programs will focus on the factors we believe are pivotal in agricultural success and building local capacity: market-oriented pricing and trading policies; access to inputs, such as seeds, fertilizer, credit, technology, information, and land; access to domestic and export markets; crop production and marketing choices; integrated crop and livestock management; progressive husbandry practices and veterinary care; soil and water conservation through improved tilling practices, erosion planning, and control; integrated pest management; reductions in the use of pesticides and in fertilizer and pesticide runoff; efficient design and management of irrigation systems; and protection of aquifers and integrated water resource planning. We will continue to support agricultural research work that has had a global impact and is indispensable to developing new methods and technologies that enhance growth and food security.

Our long-term programs to build food security will address food availability; income and distribution issues that affect access to food; issues of harvesting, storage, and processing; and health and nutrition issues that affect food use and consumption. We will also continue our efforts to provide technical assistance to help countries eliminate hidden hunger through the Opportunities for Micronutrient Interventions project.

International economic policy is also part of this equation. We must all work together—development agencies, multilateral development banks, and international financial institutions—
to ensure that structural adjustment lending strategies improve food security and do not undermine it.

Under the Clinton administration our efforts will focus on people who are mired in poverty. Yesterday you heard Muhammad Yunus, president of Grameen Bank of Bangladesh, speak of his remarkable efforts to help poor people, mostly women, to empower themselves economically and politically. By textbook definition Professor Yunus’s clients were destitute. Their primary need was the wherewithal to acquire sufficient food, a modicum of assets, and access to markets so that they could join the productive economy. Grameen Bank provided them an answer, one whose starting point was to help them feed themselves and their families. A key to the success of Grameen Bank was its integration of nutrition education and literacy activities.

Grameen Bank has had a profound influence on the development community and on the USAID. Its participatory aspects are especially important to us, because the bank not only lends the poor money, but involves them in every aspect of its operations. Village and neighborhood banks do much the same thing, and this contribution to the community’s sense of itself is one reason why these enterprises succeed in reducing extreme poverty and the hunger that characterizes it.

With this in mind, the USAID will direct resources toward microenterprise development and the instruments to support it, including poverty lending. We are convinced that this is an effective way to address the overriding, daily concerns of the very poor, and in so doing, to help them become economic and political participants. These programs become even more effective when they are linked with literacy programs and improved access to nutrition and health information.

We will mount programs that address related issues, such as infectious diseases, sanitation, water supplies, and rural institutions, because each of these has a measurable impact on food and hunger. In essence, we will follow an integrated approach to food security.

Most important of all, we are convinced that our efforts must stay the course. Assistance will be of little value if it follows development fashions or the political needs of the moment. The pursuit of food security is a long-term enterprise. It involves the social, political, and economic wherewithal of entire societies, and will tax the skills and resources of the donor community to the limit.

Our ultimate success will require partnerships with host nations, with the people we assist, and with each other. At this time of critical need, the willingness of the industrial democracies to support and invest in foreign assistance is at a low point. Curiously, the worst enemy faced by the donor community, by private voluntary organizations and nongovernmental organizations, by universities and professional associations, may be our own parochialism: about distinctions between hunger, nutrition, and health; about specific programs; about earmarks in appropriations bills; about organizational prerogatives; and about projects, programs, and grants. Last month, I spoke to Interaction, one of the groups represented here today, and I told them something that bears repeating:

We need each other. The role of foreign aid as an instrument of policy will be redefined this decade, and what we say and do—as a community—will determine if our nation and its allies care to respond to the challenge of development, and can respond. So we must stand together, each of us here, as a community, or we will find ourselves standing for very little . . . [And] we must stand together, not only for ourselves as a community, but for the advocates of foreign assistance in other industrial nations, who are facing precisely the same pressures that are confronting us.

Even as we strive to help feed a hungry world, we must reinforce each other. We must coordinate at every stage of the development process, assessing problems and the threats they represent, sharing responsibility, allocating resources, pooling our financial resources where appropriate, sharing our technical resources and expertise, transferring insights about methods and results, collaborating at the institutional level, and communicating in the field.

This is the ultimate challenge posed by a hungry world: to maintain the capacity to care and to act. This is the ultimate challenge we confront, and I am hopeful that for the betterment of the millions who look to us now, we will meet it.
Concluding Statement on Behalf of NGOs

Carolyn Long

I want to commend the Bank for its willingness to listen here to some very frank exchanges about the way the Bank does its business and how it should change. If we as NGOs had allowed ourselves to be scrutinized to the same extent, I wonder how we would feel right now. Now that Bank staff have listened for two days, maybe we'll do some self-examination the next time we get together. As this conference ends, I ask myself, what does this mean? Is this a turning point for the World Bank and for the rest of the people working to end hunger? Or will it have been just another conference that will fade in our memories as one more time when great ideas were proposed about eradicating poverty and hunger, but nothing really changed?

The NGOs issued a press release and a statement yesterday with recommendations for the Bank as to how it needs to change to put people at the center of the development process. I'd like to draw from that statement to pose five or six questions about what the Bank might now be willing to do to make this a turning point, and make a couple of points about what NGOs might do too.

• The Bank has had a learning process on popular participation for almost three years, with a core group of staff examining how the Bank might alter the way it does its business to involve the poor effectively in the design of projects and policies. Bank staff have consulted with NGOs, they have worked with academics who specialize in researching participatory methods, they held a major workshop on the topic eighteen months ago, and they have developed many recommendations for changes in internal operations. Is the Bank now willing to accelerate dramatically the institutionalization of participatory processes so that the poor can engage in the planning and design of policies, programs, and projects intended to benefit them? I know that there are "participation pioneers" (as I like to call them) toiling valiantly within the Bank already to alter the way in which the Bank develops projects and policies to incorporate participation, and even to do social mobilization to find the poorest, as Dr. Yunus talked about yesterday. These are great efforts, but such work needs to be institutionalized throughout the Bank so that systems change and methodologies support these efforts.

• At present, staff are rewarded for moving money and for getting projects approved within certain time frames. Is the Bank now willing to change the incentive system so that staff are rewarded for effectively incorporating participatory methodology into the design of programs, or for carrying out other innovations that refocus Bank programs and operations more directly on the poor?

• Currently, some very good work is being done in central vice presidencies of the Bank to ensure, for example, that environmental safeguards and other sustainability factors are incorporated into Bank programs. But usually decisions about projects are made in the country departments, where rates of return, moving the money, and maintaining cordial relations with major borrowing governments are more important, and much or all of the
important innovations in programming get left out. Would the Bank be willing to commit itself to interdepartmental decisionmaking so that the innovations are actually approved?

- In terms of equity, although Nancy Birdsall said yesterday that in implementing the right shared growth macroeconomic policies, "all boats rise," all boats in fact don't rise. Some little ones get flooded and sink, some light ones break apart, and some get stuck in the mud. To prevent this, is the Bank willing to commit itself to strategies to eliminate gender bias, promote land reform and secure tenancy, reduce massive income differentials, and give priority to hunger prone groups and regions?

- The IDA-9 agreement directs the Bank to give priority in its allocation of assistance to countries with a demonstrated commitment to alleviate poverty. NGOs have been asking the Bank for four years how this commitment to poverty is being defined in order to implement this directive. Is the commitment to poverty being defined as something other than adherence to orthodox structural adjustment measures?

- Yesterday, Atherton Martin proposed that NGOs from poor countries have a base in Washington where, together with Northern NGO colleagues, they would have the opportunity to make year-round input into the process of transforming the Bank into an instrument for development that is responsive to the needs of the poor and hungry. Is the Bank prepared to endorse this idea and help make it happen?

- To eradicate poverty, there is need for structural adjustment in the North to create a level international playing field for developing countries. Although the World Bank cannot press such reforms, we ask that the Bank at least monitor the damage done to developing countries by the highly selfish policies of the United States and other Northern industrial countries, such as protectionist trade policies and agricultural subsidies.

Now for the NGOs. We re-commit ourselves today to work toward building a pro-poor constituency in the United States to provide the necessary grassroots support for changes in U.S. government policies and international policies so that they work for the poor in developing countries and not against them.

Second, NGOs also commit themselves today to collaborating with the World Bank in its efforts to transform its policies and operational approaches to put the poor at the center of the development process. This could be in areas where NGOs have particular expertise, such as in participatory processes, social mobilization, and targeted interventions.

Brian Atwood, the new administrator of the USAID, is in the midst of transforming that institution to put people at the center of the development process, and the United Nations Development Programme, under the leadership of Gus Speth, is making similar important changes. The USAID, the United Nations Development Programme, the World Bank, NGOs, and others all need to work together to put poor people first.

In Bill Clinton's successful campaign for the presidency, they had a war room run by the famous James Carville. We wouldn't want a war room at the Bank, but how about a pro-poor task force or a campaign headquarters to end poverty and hunger, a group that would seize on the urgency of this need and make it happen?

At the beginning of this conference, Dr. Serageldin talked of being the new abolitionists in the fight against hunger. The old abolitionists took risks, many risks, and struggled in a campaign to end slavery in the same way that liberation groups in southern Africa and across the world have struggled for freedom. If we all are to be the new abolitionists, we need to work with that same sense of urgency. NGOs are ready to work with the Bank, the USAID, United Nations agencies, and others to move forward and win the new campaign to end poverty and hunger.
Friends, it is never easy to bring to a close something as rich and enriching as the discussion we have been having together for the last two days. Nor is it easy to try to summarize the vast amount of information, experience, expertise, and insight that was exchanged during these discussions. Yet, as it is my duty, I will try to pull together some of the strands of this dialogue into a coherent whole.

While many points were made, some of the questions raised by our critics deserve to be answered here because this is a dialogue, an enterprise in which we are involved in mutual learning, in which we share experiences and open ourselves up to learning from each other. These questions were summarized by Carolyn Long in her statement, in longhand and in person, and by Barbara Bramble earlier.

First was the question about the learning group on participation. It is not just a matter of a learning group anymore. The Bank now has a group of people working in a formal division of the Environment Department called the Social Policy Division, who are preparing a handbook for the use of staff dealing with participation issues, similar in outline and format to the handbook on poverty assessments, the Poverty Reduction Handbook.

In addition, we have been piloting a tool kit for participation programs put together by Deepa Narayan and Lyra Srinivasan—who says we use only northern consultants?—excellent professionals who have prepared a superb tool kit on how to engage local communities in participation, and we are hoping to produce this pilot very soon. We are trying to move participation beyond the pilot stage toward the mainstream stage. How do we do this dramatically? This year we have quadrupled the number of operations that contain participatory elements and put in place special incentives for staff in the country departments to undertake these kinds of activities.

This leads naturally to the second point about incentives for World Bank staff, which are alleged to be biased toward moving large amounts of money. As I look at my own career in the Bank, somehow have never been associated with pushing large amounts of money. I have been associated with a fairly large number of controversial issues, but I am happy to say that my career did not suffer too much from that. The president of the Bank has repeated time and again that he wants staff to focus on issues of implementation and quality. I do not know how to emphasize more forcefully the Bank's policy to staff and to outsiders alike than to have the president of the Bank declare the policy and have senior managers reiterate it. We can only continue to repeat that we attach great importance to having our staff focus on implementation, participation, and quality and to keep encouraging them to look at these issues.

I want to address another important issue that came up in Barbara Bramble's comments, whether the Bank intends to employ sociologists and anthropologists. The answer is yes, we are probably going to double the number of sociologists and anthropologists in the Bank within the next eighteen to twenty-four months. I am working with Michael Cernea, who is in my vice pres-
idency and who is also the chair of the social science staffing group. That is the group that identifies and screens candidates for potential recruitment at the Bank. Here when we refer to social scientists we mean noneconomists. He has a mandate to go out and find the best, especially from the south.

How about environmental standards and safeguards? Carolyn’s third point and Barbara’s fourth—it could be called Barbara’s first—is to do no harm. The answer is we do have a loan committee structure through which vice presidents express their views on any operation. We do have a review process through which different points of view are expressed. But ultimately what we want is not a situation in which environmental reviews are the purview of somebody and social reviews belong to somebody else, and if somehow we can obtain the seal of approval from those specialists in environment and sociology, we can go ahead and do whatever we want. Rather, experience has shown that this bifurcation of responsibilities is not the best way to bring about profound institutional change in the way day-to-day business is done. Experience shows that this comes about only when each person in the organization internalizes the issues of concern, not when internal inspectors assume responsibility for ensuring that these issues are addressed. When an internal inspectorate is set up, experience shows that people become inward looking and learn how to address the issues to satisfy the inspectors instead of being outward oriented, toward their clients, and focusing on their clients’ problems and how to solve them in the field.

What we want is to ensure that the kind of dialogue that has been launched here—which I personally and my colleagues have found so enriching, and we have had almost all the senior management of the Bank here—and its content permeates the institution to the staff who are responsible for these operations. That is what we should be shooting for.

The next issue is how to allocate International Development Association resources in proportion to the country’s efforts in reducing poverty. We are now systematically addressing this through poverty assessments, and we have set out a new methodology to do this. Interestingly, it is forcing both the statistical staff in the countries and the country staff at the Bank to look for the kinds of data that they may not have looked at before. This has already generated the kind of demand for information and questioning of policy that many of us in this room feel is necessary.

Poverty assessments are the key instrument that the Bank increasingly relies on to deal with these issues. As a result of this conference, I can say that in preparing future poverty assessments we will also try to focus on looking at the question of extreme poverty and hunger, not just the level of poverty, not just how many people or households are below a certain percentile of the income distribution. But how can we come to grips with the issue of hunger and extreme poverty? For surely, the eradication of poverty is at the heart of thinking about the problem of development, especially the worst kind of poverty, that which is associated with hunger.

How about southern NGOs opening a representative center in Washington? I think that it would be great. Who would represent them and how they would organize their selection is really up to them, but we would welcome increased dialogue with southern NGOs. We have, in fact, increasingly engaged in such dialogue through the World Bank-NGO Committee, which has an increasingly important proportion of southern NGOs among the NGO representatives. I hope that we will do more of this.

There is more to be said. You talk about putting participation at the center of our work and changing the attitudes of Bank staff and the competencies of the Bank. You ask whether the Bank’s management is listening to your concerns. You have had in this conference the president of the Bank, who has been here almost continuously. In fact, you have seen him coming up on the podium frequently. Even when he was not with us in the hall he was here, because he was up on the balcony waiting for one of the dignitaries, and he was listening. You have had the regional vice presidents here during the various sessions. You have had in this forum the chief economist of the Bank and the vice presidents in charge of human resources and of private sector development. We have had among us Alan Berg, our lead nutritionist; Michel Petit, the person in charge of agriculture; and so many others from the Bank who have participated in preparing this conference and listening.
All of this I cite not just to prove that we have been listening, but more important, to satisfy you about another important point, namely, is this a one-shot affair? I think not. It is not an isolated event. It is not the end of the road. It is the beginning. This large an event is a milestone in what could and should be an enriching and fulfilling dialogue, not for us Bank staff and management to be intellectually enriched, but enriched in our ability to have a real impact on the reduction of poverty. We are all impoverished by the continuation of this scourge, by the complacency that affects governments and the international community alike, and we are all enriched by the reduction in poverty and hunger. We would all, as human beings, be infinitely worthier of the name if the scourge of hunger was abolished from the face of the earth. I have said so earlier in these proceedings, and I say so again. In the last century, some people felt that slavery was unconscionable and unacceptable, that it degraded not just the slaves, but all those who countenanced its continued existence. They believed that the objective should be the abolition of slavery from the face of the earth. They were called the abolitionists. Today, I say that hunger is unconscionable and unacceptable; that it degrades not only the hungry, who are denied the most basic of human needs, but also all who would look upon such a state of affairs with complacency. Let us indeed be the new abolitionists, who will from every platform and in every forum fight for the elimination of hunger from the planet.

So, what about this conference then? Is it just an isolated event? No, this is not an isolated event. It is the beginning. It is an opening. What I can commit myself to right now is an outline of what this process will be. I am not going to tell you that in three months, in six months, or in a year from now something will happen. I will say that next week, December 8, at 2 o’clock, we have a meeting of the steering committee that helped put together this conference. We will meet to see where we go from here. This immediate follow-up reflects the urgency, the sense of commitment, the sense of dedication that has permeated all our preparations for the conference and all our hopes and aspirations for the process that must follow it.

Will there be new openings in what the Bank does? In his opening address, the president of the Bank said that without prejudging the final outcomes of this conference, he was willing to commit himself to the objectives of this conference, to the dialogue that I have reaffirmed now, and he gave us two major openings. These are not merely a continuation of dialogue across the board, but a recognition that grassroots action and targeted intervention to the poorest of the poor are important and necessary complements to the kind of broadly based action that the Bank takes, and that the Bank would be willing to meet with its partners, the international donor community—which, of course, will involve the USAID, the UNDP, and others—to explore ways by which we can systematically provide support for such actions.

To show that these were not just empty words, he did something exceptional that the Bank never does, which is to make a gift. Banks make loans, but we in this case made a gift to the Grameen Trust as a signal of the value the Bank places on the kinds of micro-credit schemes that were so eloquently presented by Muhammad Yunus here yesterday.

So we have an opening and a serious issue to discuss with the international community. Where do we go from here not just using only the instruments that now exist, but amending them, if necessary, to create new ones to ensure that the kind of action that complements the essential macro-economic and sectoral approaches by directly reaching and empowering the poorest of the poor is maintained, and enforced, and replicated on a grand scale across the world. All the countries of the world should have the support needed to launch actions that enable the poorest of the poor to pull themselves up by their bootstraps.

But I would be remiss in my summation here today and in my response to the many comments and criticisms that we heard if I did not also address the question of the substance of what the Bank normally does and what is currently part of the development paradigm.

We started this conference as a dialogue and we said that there are some things on which we will disagree and others on which we can agree. Perhaps the time is appropriate to also take stock of how far we have come. Where we still disagree, perhaps it is appropriate for both our critics and our friends to spend more time thinking about the issues and educating us on their points of view.
In terms of substance, we can do a lot right now with the promotion of broad-based economic growth to generate income-earning opportunities for the poor. This was part of Nancy Birdsall’s message, although we got tied up with the questions of whether macroeconomic stabilization has a negative impact on the urban poor or the rural poor or specific pockets of poverty, and whether social safety nets are an afterthought or should be an integral part of the design.

These elements in the discussion have really taken us away from the heart of the matter, which is that today, despite the fiscal crises that are affecting the governments of the world, they are the most important source by which hundreds and hundreds of millions of dollars can be reallocated toward the services that most benefit the poor. This can be done through fiscal reform and the reorientation of public expenditures toward those who really need it, through removing subsidies from fancy hospitals and university structures, as we have seen in some places, to provide basic textbooks in primary schools or funding for preventive medicine for health care units.

The UNDP’s Human Development Report has estimated that this kind of realignment is of great importance in meeting the needs of the poor and the disadvantaged. There is tremendous room to reallocate within governments’ public expenditure frameworks.

To realize this potential, I can say that the Bank will increasingly use the instrument of public expenditure reviews and public investment reviews and emphasize the centrality of the needs of the poor to country decisionmakers. Education, health care, social services, and nutrition are all essential ingredients of the package that must be emphasized. This reorientation of public expenditures will be away from militarism and fancy prestige projects—the creation of a new capital city, a monument to the party, and other such ways of public spending—because, after all, the money for public spending comes from taxing the people of the country, and most of the time those who get taxed are the poor and the lower-middle class. The elite, we know, most of the time escape taxation, whatever the books say about tax rates.

We also want to say that the resources of the World Bank will be made available for the kinds of priorities that are at the heart of your concerns and ours. I know of no country that has come to the World Bank and sought support for a nutrition project and was told that the Bank does not have money for nutrition. I know of no country that has come seeking the support of the World Bank for a population program and was told that we do not have enough resources for that. I know of no country that seeks to improve its health system or its education system and gets turned away.

The willingness is there on our part. I invite you to share the same concerns that you share with us with the governments who are our borrowers, as well as our shareholders. We will do our part in discussion and dialogue. We will do our part when we talk about gender bias, when we talk about the education of girls, when we tell the governments in the Sahel that it is unacceptable that only one girl in four goes to school, that unless this situation is changed rapidly they are preparing a generation in which 75 percent of the women will be illiterate, and that something must be done now to avoid that.

We will do our part, but we invite you to do yours, so that collectively we can really build the broad national consensus that translates into action. I do not mean merely the direct action of a project here and a project there by this NGO or that NGO, important as that may be, or this loan or that loan that may be funded by the World Bank or by the Inter-American Development Bank or by the African Development Bank or by some bilateral agency, but to bring about profound change in governments’ spending patterns, which is the key by which broad-based changes occur.

Why did Botswana succeed? Because it had revenues from mineral resources? So do many other countries. It was the use to which the government put those resources that made all the difference: achieving universal primary education, avoiding hunger and famine despite the droughts that hit that country with regular severity. Since 1966 when the country gained its independence it has been hit by these severe droughts. Botswana succeeded because its government adopted a pattern of spending, a pattern of priorities, that others could support.

I was teasing former President Carter when we were outside and he was talking about choosing Ethiopia or some other country for this more harmonized approach to assistance. I said, "I wish you would choose Botswana. The president is right
here and we could agree and I am sure he would have no difficulty implementing the program.” President Carter said, “Yes, but the problem is that Botswana is not the one that needs our help.”

Most important, much common ground was identified between the Bank and its critics. The following points were the basis of an emerging consensus:

- The problem of hunger was closely identified with extreme poverty rather than with the production of food, although it was largely understood that we could not be complacent about the necessary support to agricultural research, a sine qua non to maintain the high level of food production in the future. Thus the attack on hunger is an integral part of an anti-poverty strategy.
- The promotion of broad-based development is recognized as the essential condition for reducing poverty on a large scale. This reaffirmed the importance of sound macroeconomic management, labor-intensive growth, and sound investments in human resource development, with a special emphasis on addressing issues of gender equity.
- In addition, there is a recognition that complementary action at the grassroots level to reach the poorest of the poor is essential. Such targeted interventions, however, should be channeled toward production and not just consumption. Micro-credit schemes were identified as one of the key elements in such interventions.
- The link between health and hunger is now better understood (a point that was well articulated in our World Development Report 1993), and accordingly, certain types of interventions, including vitamin A, iodine, and iron supplementation programs, which cost very little and have a profound impact, should be promoted.
- Policies that increase the access of the poor to assets and to the factors such as credit and extension, which increase the returns to assets held by the poor, should be promoted. This will, in certain cases, involve the issue of land reform.

All these points are within the Bank’s current framework for poverty reduction, and therefore do not constitute departures from the existing policies and practices of the Bank, although there is a clear expectation that our work in these areas will be intensified.

Nevertheless, differences still abound, especially on the issues of structural adjustment, trade, and exports. But most important, differences still exist in the link between the macro and the micro, the role of governments, and the appropriate balance between regulation and incentives.

Indeed, this is part of what I am talking about. The government’s attitude is at the center of how public spending is configured and how priorities are set in the country. Where the government is responsive to its people’s needs and is accountable to them, the priorities are likely to be the right ones, and we should all be working in support of them.

Having said that, I do not deny that the Bank has a role to play, through its advocacy and analytical functions, in influencing government decisions and influencing the attitude of the world about where the priorities lie. And I can assure you, all of you here today, that we will take these responsibilities very seriously, that we will be engaged in promoting income-earning opportunities for the poor and in removing anti-employment biases in trade policy or market regulations, in looking at tax regimes and at financial sector policies. We will be involved in all these things and stake out our positions with a view to bringing about changes in the lives of the poor and the destitute, the vulnerable and the hungry.

A friend in Africa told me that “over the last ten years the World Bank has made the private sector respectable in Africa, because ten years ago we used to consider them as pirates, and now we think of them as business people. We used to think of them as exploiters, but now we think of them as investors.” That has taken ten years of discussion.

I think that we have a similar task in changing the priorities and the focus, not just on poverty, but on extreme poverty and the issue of hunger, and I sincerely hope that, with your help, it will not take ten years to change those attitudes.

Beyond these two key points, the follow-up in terms of substance is really just to intensify some areas of current Bank work that are part of the emerging consensus I described. This would include the following points:

- Poverty assessments should address hunger issues more explicitly in relation to the ultra-poor and the vulnerable, especially during periods of transition.
The Bank should support some actions that are of immediate applicability and proven effectiveness. Such support may be just by insisting on their importance in the context of public expenditure reviews, consultative groups, and other forums, and does not necessarily imply that we should finance such activities ourselves. These actions include:

- **Cheap direct actions:** vitamin A and iodine supplements, immunization against cholera and other childhood diseases, and treatment of parasites. All of these are simple, low-cost, and affordable, even in the most constrained budget situations.

- **Other direct actions:** give food coupons to children and mothers at health clinics, monetize food aid and use the revenue for targeted feeding programs, and introduce food-for-work schemes.

- **Protecting the poor during structural adjustment:** Maintain social expenditures, improve the composition of social expenditures to target the poor and the very poor better, and introduce public works job programs (for example, such as the Maharashtra Employment Guarantee Scheme).

- **Targeted schemes to raise incomes:** reduce regulatory constraints to the activities of the informal sector, promote better access to microcredit, promote better natural resources management, and promote agricultural research targeted on the needs of small farmers.

All these points are already being tackled successfully in various Bank-financed operations, and should be more recognized as the best practices that should be mainstreamed.

Some of these are very simple, basic things, and there is no excuse today why they should not be done immediately. I can tell you that the Bank will systematically look at that in every country with which we speak. And when a country submits a program for us to fund, we will ask, "What are you doing about these interventions?" I think I can vouch for the fact that none of my colleagues will accept an answer, "We haven't got enough money for it." For the basic, simple actions money is not an acceptable excuse.

But beyond the simple, basic, and cheap things that must be done, some of the more complicated schemes I just mentioned, some of the more expensive and direct actions, are also needed to reach those who are in most severe need, especially in hunger and food insecurity situations. Many methods are in place, and we have heard about many of them today. Some are more effective and some are less costly than others. Here, we need to find the most cost-effective schemes possible. We need to explore such schemes and apply them wherever they are needed.

We need to make better use of food aid, an important source of support from many countries but one that, where inappropriately used, brings about very sad results in undermining local food production and local farmer production. We need to make sure that, in addition to food aid, the Bank supports ways of improving incomes for the poor, including the targeting of incomes for the poor.

We know that improving incomes for the poor and hungry works in a number of ways, the most categorical and direct of which is that those who have no assets should have access to assets. Where there is a land distribution problem, as exists in many countries, we should be collectively willing to tackle the issue of land reform. It is not an easy issue. Politically it has proven extremely difficult to do. Most of us here are active in the United States. We know that where rent control has been imposed it has been very difficult to remove. Where strong, politically vested interests support existing legislation, it stays in place. In the same way land reform is a difficult task, but I believe the time has come for all of us to tackle it.

Access to assets for those who have no assets also means access to the factors that increase the return on assets that are held by the poor. In the case of rural farmers, or even of farm labor, as we discussed with Muhammad Yunus in connection with Grameen Bank, it means access to credit. But access to assets is also access to extension services, and we need to address that as well. We need to address access to fertilizers and seeds and make sure that all these activities are possible to increase the return on assets.

For most of the poor, the biggest asset they have is their own labor, and therefore, the returns on labor have to be maximized. These returns are maximized by investment in nutrition; in reduction of hunger; in improvement of health, education, and training; and in the opening of opportunities for self-employment through the
respect that must be given to the informal sector that functions in most countries, and is unfortunately criminalized by the legislation of most countries. We need to tackle this set of issues as well.

We need equally to recognize that technology is critical, and I was happy to hear Brian Atwood affirm support for agricultural research. Because while we cannot be and should not be complacent about the problem and the presence of hunger and poverty, we should also not be complacent about the continued trends in agricultural research that have made food abundant in the world today. What we need to do is to continue the kind of preventive investment—investment in research that is sustained, nonpolitical, not subject to fads, not subject to year in/year out changes—that has been the key to the success of the Consultative Group on International Agricultural Research, which was able to pursue increases in production systematically, receiving support year in and year out for many years. So there is a set of actions that must be carried out, and again it will be difficult to mobilize the political support for them, but that is one of the things that we need to do.

Let me then go back from these actions to the most controversial of all, and I will not duck it, which is the issue of structural adjustment. Clearly we have a disagreement. There are different views of what happens under adjustment, and I suspect that part of that difference arises because while things may—I emphasize the word may—be improving in the aggregate, it is quite possible that they are getting worse for some people, and getting much worse for some people in particular locations. This in and of itself should be inadmissible.

It is not enough to say that, on average, conditions are getting better. It is important that we say that conditions are getting better for everybody, and that particularly they are getting better for those who are the poorest of the poor. That has to be the stand of the new abolitionist! It makes sense from an ethical point of view, as well as from a welfare point of view. Strangely enough, for some people here, I will even mention something that was done in the World Bank almost twenty years ago, the Bank’s much attacked methodology of benefit-cost analysis, explored and worked with the idea of social weights, which was in fact to say that a dollar earned by the poorest person is not equal to a dollar earned by the richest person.

That, my friends, was twenty years ago, not now, not in response to criticism from the outside, but in the Bank’s continuing efforts always to explore the most rigorous ways of dealing with the most difficult problems.

So social weights were intended to treat income to the poor as more important than income to the rich. It is not equal, and it should not be equal, and in our view, both twenty years ago and today, we have to take the income distribution aspect into account. Therefore, I would be willing on behalf of the Bank to say that yes, we believe that sound macroeconomic policies are essential, we believe that, on balance, things are improving in the aggregate, but I also accept the point of view—the experience of the NGOs—that despite that fact, conditions in some, possibly many, places are not only not improving, but they may even be getting worse.

The question then becomes how we can work together to maintain the gain to the aggregate and remove the loss to the specific. This is a real challenge. It is a challenge that we will have to address together to find ways of integrating the microeconomic and the macroeconomic. In this sense we have much to learn from everybody, and I hope that we will learn that in the coming parts of this dialogue.

Outside this conference and in parallel with it, we had a separate panel composed of Monsignor Jorge Mejia, a representative of the Holy See and the vice president of the Commission on Justice and Peace of the Vatican; David Beckmann, president of Bread for the World; myself; and initially, Ibrahima Fall, the United Nations assistant secretary general for human rights, who, although he was detained at the last minute and could not come personally, sent a text. The title of that panel was "The Ethical Dimensions of Global Hunger," because we wanted to address hunger not just as a technical issue, but as a human rights issue, as an issue of ethics, as an issue of public morality (see Associated Event section).

Frankly, I feel so strongly about this that I will add the papers from that panel to the proceedings we will have of this conference. Even though the proceedings are not the main outcome of this conference, I think it is important to integrate the papers of the ethical dimensions panel with those from this conference, of which you will all be receiving a copy.
In the end, if we are to be the new abolitionists, we need to reinforce ourselves with the right degree of outreach, the right degree of anger, the right degree of commitment, that it is inadmissible that we should allow hunger to persist amidst plenty in a changing world.

For this to be more than a slogan, I commit myself before you here today that I will create a focal point for follow-up of this discussion within my vice presidency at the World Bank, that the dialogue that we have started here today will not end here today, that we will start again in a new and reinforced fashion, in an enriched fashion immediately as of next week when we meet with the steering committee.

Let this conference be a milestone from which we all start to respond to the fears and the aspirations expressed by former President Carter when he asked, will there be actions to suit the words? I am willing to say that for my colleagues and me at the Bank—and I am sure I can say that for all of you here—there will be follow-up. How fast it will come we cannot predict, but I can say that it will not be for lack of trying.
Press conference (left to right, Ismail Serageldin, Lewis T. Preston, Jimmy Carter, Tony P. Hall, and Carolyn Long).
Appendix 1
Overcoming Global Hunger: An Issues Paper

The problem of hunger can be broadly divided into two types, viz., (1) famines, and (2) endemic deprivation. If famines kill millions through starvation and epidemic diseases, endemic deprivation can affect hundreds of millions through debilitation and illness, increasing mortality rates and shortening people's lives.

One of the problems that makes the task of the prevention of famines and hunger particularly difficult is the general sense of pessimism and defeatism that characterizes so much of the discussion on poverty and hunger in the modern world.

There is, in fact, little factual basis for such pessimism and no grounds at all for assuming the immutability of hunger and deprivation. Yet those unreasoned feelings dominate a good deal of public reaction to misery in the world today.

Amartya Sen

The Objectives

The Conference on Overcoming Global Hunger set four goals:

- To help the World Bank rethink the actions it is taking and define the actions it is prepared to take to reduce hunger
- To raise awareness in North America about the seriousness of global hunger and the actions that can be taken to overcome it.

This paper supports the goals of the conference by:

- Reviewing the experience of previous hunger initiatives to identify what we have learned from them and why, even though progress has been made, they have not resulted in actions commensurate with their objectives. Hunger has not been overcome.
- Clarifying the issues involved so that we can understand the efforts to overcome hunger in the short, medium, and long term within the larger political, economic, and social contexts within which specific actions need to take place.
- Identifying the actions the World Bank is taking that contribute to the reduction of hunger, and the actions that the Bank could take to support a larger effort to overcome hunger.
- Identifying an action program that has reasonable prospects for success.
- Highlighting some major issues this conference could resolve.

The Larger Perspective

The conference is not taking place in a vacuum. Many earlier conferences with similar objectives have preceded it. Some established bold goals, such as the World Food Conference in 1974,
which proposed to eradicate hunger and malnutrition within a decade. While such efforts have achieved a great deal, they have fallen far short of overcoming hunger. Many governments and organizations—the United Nations (UN) and bilateral and nongovernmental entities—are concerned with overcoming hunger. Major research institutions now work actively on hunger issues. These combined efforts have contributed significantly to the reduction of hunger in some parts of the world, but many complex issues remain unresolved. These range from the level and kinds of actions needed to increase food production to the size and types of programs needed to improve food consumption and nutrition. These in turn involve even more complex economic, social, and political considerations. Because some countries have made remarkable progress in overcoming hunger while others have not, overcoming hunger clearly depends on decisions made at the national level, and also at the local, community, and household levels. However, other decisions need action internationally. While there is a shared concern to overcome hunger, different groups have different perceptions about which of the multiple issues that influence hunger deserve priority, particularly about how the larger economic, social, and political factors impinge on hunger.

Sen has juxtaposed famine and endemic deprivation as the two essential dimensions of hunger. Famine is acute and dramatic, but involves a relatively small proportion of the hungry: tens of millions. Endemic deprivation is largely hidden, but accounts for most of the world’s hungry: hundreds of millions. To this we can add malnutrition caused by specific nutrient deficiencies and a lack of knowledge about nutrition. Thus hunger has three elements:

- **Starvation:** a life-threatening condition caused by insufficient food that is generally associated with acute situations like famine.
- **Chronic hunger or undernutrition:** a persistent lack of calories (food energy) that may impair the ability to lead a fully healthy and active life.
- **Other forms of malnutrition:** a pathological condition resulting from the inadequacy (or excess) of calories, protein, and micronutrients, often in combination with diseases, parasites, and inadequate knowledge about nutrition.

While these elements define hunger, food security, as defined by the Bank and discussed in a companion paper by the International Food Policy Research Institute (IFPRI), is “access by all people at all times to enough food for an active and healthy life.”

Among the chronically hungry or undernourished three useful distinctions are important for policy and action. The largest subgroup among the chronically undernourished consists of small farmers, landless rural workers, and urban non-professionals. In normal times people in this group subsist. They typically spend the bulk of their incomes on food, so a rise in the price of food or a fall in their incomes deepens their food insecurity. Another group among the chronically undernourished is the unemployed. Adults may work when employment opportunities exist, but their incomes are not sufficient to satisfy their families’ dietary requirements. Frequent illnesses further limit their employment capacity. A third subgroup is the chronically ill, the aged, the crippled, and the orphaned, who are still less able to earn enough money to support themselves.

People in the first group can take part in the economic development process. The unemployed, the second group, remain at the fringe of economic development. Poverty marked by chronic undernutrition, poor health, unsanitary drinking water, large families, and crowded housing increases their vulnerability to infectious diseases, stifles their motivation, and reduces their capacity to work and study. For them, development at the aggregate level offers little relief. An increase in total food production may not improve their nutritional status by much, because they would still not have enough money to buy the food. People in the third group will have to rely on direct help, including such basic assistance as free food, housing, and health care.

**How Many People Are Hungry?**

Estimates about how many people are hungry differ, but more for reasons of methodology and definition than disagreement about essentials. The Food and Agriculture Organization of the United Nations (FAO) has calculated that in 1988 to 1990, 786 million people faced chronic undernutrition in developing regions, or 20 percent of their populations (table 1). Most of these people—
and absolute numbers in the Near East and Latin America are relatively smaller. In both regions the proportion has declined from near 20 to 12 and 13 percent, but the absolute numbers have remained relatively unchanged.

The figures cited represent the lower limit of the hungry. Hunger in the industrial world and in some seventy-two countries with populations of less than 1 million is excluded, as is the impact of famine. The upper limit is indicated by the World Bank's estimates of poverty (table 2). In 1989 1,133 million people were poor at a poverty line of US$1 per day per person. The geographical distribution of the poor is similar but larger than that of the chronically malnourished for obvious reasons: hunger is a prime reflection and indicator of extreme poverty.

Why Are People Hungry?

The reasons why people are hungry differ. IFPRI's companion paper suggests a conceptual framework that integrates a number of these factors and portrays the long-term relationships between root causes and symptoms of hunger. Poverty, for example, including natural and man-made shocks, is a root cause of hunger. The framework also depicts the broad interactions between policy failures, resource poverty, disasters, and the population transition that impact on hunger. Within this context, the main reasons why people are hungry are lack of assets and resources to produce enough food, lack of income to buy enough food, and lack of specific essential nutrients and knowl-

Table 1. Prevalence of chronic undernutrition in developing regions, selected years

<table>
<thead>
<tr>
<th>Region</th>
<th>Period</th>
<th>Total population (millions)</th>
<th>Proportion of total population (percent)</th>
<th>Number of chronically undernourished (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1969-71</td>
<td>288</td>
<td>35</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>1979-81</td>
<td>384</td>
<td>33</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>1988-90</td>
<td>505</td>
<td>33</td>
<td>168</td>
</tr>
<tr>
<td>Far East</td>
<td>1969-71</td>
<td>1,880</td>
<td>40</td>
<td>751</td>
</tr>
<tr>
<td></td>
<td>1979-81</td>
<td>2,311</td>
<td>28</td>
<td>645</td>
</tr>
<tr>
<td>Latin America</td>
<td>1969-71</td>
<td>2,721</td>
<td>19</td>
<td>522</td>
</tr>
<tr>
<td></td>
<td>1979-81</td>
<td>357</td>
<td>13</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>1988-90</td>
<td>433</td>
<td>13</td>
<td>59</td>
</tr>
<tr>
<td>Near East</td>
<td>1969-71</td>
<td>160</td>
<td>22</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>1979-81</td>
<td>210</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>1988-90</td>
<td>269</td>
<td>12</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>1969-71</td>
<td>2,609</td>
<td>36</td>
<td>941</td>
</tr>
<tr>
<td></td>
<td>1979-81</td>
<td>3,262</td>
<td>26</td>
<td>844</td>
</tr>
<tr>
<td></td>
<td>1988-90</td>
<td>3,938</td>
<td>20</td>
<td>786</td>
</tr>
</tbody>
</table>

Note: Seventy-two countries with a population of less than 1 million are excluded from these totals. The combined population of these countries represents 0.6 percent of the total population of the developing countries.


528 million—-are in Asia. The next largest group—168 million—is in Africa. The FAO's calculations suggest a significant drop in the proportion and absolute number of chronically undernourished people in developing countries: from 36 to 20 percent and from 941 to 786 million since 1970. The most dramatic decline was in the Far East: from 751 to 528 million people, and from 40 to 19 percent of that region's population. In Africa, despite a small decline in the proportion of malnourished, the absolute number has risen dramatically, from 101 to 168 million. Both the proportion and numbers have doubled since 1970.

Table 2. Estimates of the magnitude and depth of poverty in the developing world, 1985 and 1990

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of poor (millions)</th>
<th>Headcount index (percent)</th>
<th>Poverty gap index (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate</td>
<td>1.050</td>
<td>1.133</td>
<td>30.5</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>182</td>
<td>169</td>
<td>13.2</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>5</td>
<td>5</td>
<td>7.1</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>87</td>
<td>108</td>
<td>22.4</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>60</td>
<td>73</td>
<td>30.6</td>
</tr>
<tr>
<td>South Asia</td>
<td>532</td>
<td>562</td>
<td>51.8</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>184</td>
<td>216</td>
<td>47.6</td>
</tr>
</tbody>
</table>

Note: The poverty estimates are for eighty-six countries, representing about 90 percent of the population of developing countries. They have been updated from those used in the 1990 World Development Report and are based on national household sample surveys from thirty-one countries, representing roughly 80 percent of the population of developing countries, and on an econometric model to extrapolate poverty estimates to the remaining fifty-five countries. The estimates do not include India or the former Soviet Union. The poverty line is US$1.23 per person per month at 1985 prices. It is derived from an international survey of poverty lines and represents the typical consumption standard of a number of low-income countries. The poverty line in local currency is chosen to have constant purchasing power parity across countries based on 1985 purchasing power below the poverty line. The poverty gap index is the mean distance below the poverty line (zero for the nonpoor) expressed as a percentage of the poverty line. See Martin Ravallion, Gaurav Datt, and Dominique van de Walle, "Quantifying Absolute Poverty in the Developing World," Review of Income and Wealth 37 (1991): 345-61, for details of the methodology. The updated estimates are documented in the source publication.

edge. These conditions are in turn affected by the natural resource environment and the economic and social environment in which the hungry live. These influence the level and distribution of assets and incomes; the level and nature of employment; and the availability of social services, especially health, housing, water supply, and education. They also influence the degree to which people participate in government and economic decision-making, including decisions relating to how hunger can be overcome.

Solutions to overcome hunger thus encompass a wide array of issues and possible actions. At the most direct level these include the following:

- **Actions to deal with droughts and other disasters that can lead to famine.**
- **Actions to provide essential nutrients such as vitamin A and iodine and the education to be aware of the need for these vital elements in the diet.**
- **Actions to increase access to food through improved incomes, employment, technology, and so on, and through food transfers or other measures that increase entitlements to food.**
- **Actions to increase and sustain food production in the world, within countries, and at the household level.** These actions influence the total supply and price of food for all consumers, and the supply of food available to hungry people (if they are farmers or farm workers). Most of the world’s hungry are farmers, farm workers, or others in rural areas. Their direct access to food and to incomes is thus closely linked to increased food and agricultural production.

At a more complex level are such issues as:

- **The functioning of the world economic system and its impact on equity, that is, on income, asset, and food distribution.**
- **The functioning of the world food system and its implications for food production, consumption, and trade in and between industrial and developing countries, and thus for hunger.**
- **The balance of resource allocation and use between industrial and developing countries, including the relevance of industrial country consumption patterns (life styles), both as they currently affect global food and income distribution and their implications as a long-term guide to future growth and consumption patterns.**
- **The relationship between the need for efficient household, local, and national food self-reliance relative to the need for an efficient and smoothly functioning world market.**

The concern with global hunger is most often stimulated by short-term phenomena such as famines, which activate people’s humanitarian concerns, or by disruptions in the world food supply, which spark Malthusian anxieties of a world running short of food. While these are important elements of the hunger problem, they are in a sense transitory. When the anxiety diminishes people tend to feel that the problem has been solved. However, the major cause of hunger is what Sen calls endemic deprivation, for which the solutions have less to do with global food production and more to do with poverty and inequality, economic and employment growth, and distribution within countries and in the world as a whole. These issues involve a much more complex set of considerations. Among groups concerned with hunger, however, there are strong, divergent views on these issues, which affect policy recommendations and action proposals.

Recently, some other concerns have become prominent on the same agenda as overcoming hunger. The following paragraphs discuss these issues.

The global food balance looks adequate in the aggregate and points to a progressively improving food situation in the industrial and developing world through 2010 for those with an effective demand for food, that is, the resources to produce it or the income to buy it. But this masks the people who are chronically malnourished and lack the essential elements of an adequate diet. As the World Development Report of 1990 recognizes: "The burden of poverty is spread unevenly—among the regions of the developing world, among countries within those regions, and among localities within those countries." Two issues are involved. One is recognition that greater equity in the distribution of assets needed to produce food or income would result in less hunger. This view focuses on the redistribution of existing resources as a means to overcome hunger. The other issue emphasizes that raising hungry people's command over food through more productive employment and higher incomes will raise people out of poverty and reduce hunger, which focuses
Overcoming Global Hunger: An Issues Paper

Overcoming hunger now and in the future requires greater attention to equity in people’s access to food and the resources to produce it, and to measures to enable them to escape from poverty. Proponents of each approach will need to find ways to reconcile their differences if a consistent approach to overcoming hunger is to be achieved.

Sustainability has become an increasingly pressing concern for viable approaches to development, and is particularly important for overcoming hunger. The prevalence of hunger among poor farmers and their families, often in environmentally fragile regions, makes clear the link between unsustainable natural resource exploitation and meeting household food needs. The 1992 World Development Report highlighted this link: “Alleviating poverty is both a moral imperative and a prerequisite for environmental sustainability. The poor are both victims and agents of environmental damage.”

More important, however, is the dependence of the incomes, and hence of the command over food, of most of the world’s hungry on agriculture, often in the most environmentally stressed areas. Thus environmental degradation is an important hunger (and poverty) issue. Actions to achieve sustainable development and reduce hunger have to reinforce one another if the world is to achieve a sustainable reduction of hunger and a sustainable environment in the larger sense.

Overcoming hunger will not be achieved solely by donors, governments, or concerned outsiders. The poor who are hungry must be key players, not only as recipients of assistance, but as producers. The poor are disenfranchised in every sense, which means a global agenda to overcome hunger will have to find ways to enable the poor to produce their own food or the income needed to buy food. This inevitably involves questions of human rights and the development of civil society. Ensuring that the poor participate in the design of programs and projects to alleviate their own hunger is far from common practice. As anti-hunger efforts increasingly focus on people who are excluded and marginalized, the issue of participation and empowerment becomes increasingly crucial to their success.

Securing the full participation of women is also essential to overcome hunger. Women and children suffer the most from hunger. Women are not only central to the preparation and distribution of food within households, but in many parts of the world, especially in Africa, they are the major producers of food. Often the key entry point in targeted food and nutrition interventions is through women to their children. Finding ways to enhance women’s participation in food production is equally important. Legal issues, as well as issues of access to land, credit, and other inputs, are involved not only to produce food, but to generate other sources of income, and to share fully in the marketing and distribution of food.

These larger concerns with equity, sustainability, participation, and the role of women need to be seen in two perspectives. Each is an objective in its own right, and the reasons for pursuing each go well beyond the concern with overcoming hunger. Each also has dimensions that relate directly to overcoming hunger. Identifying these direct and indirect links and clarifying how they help reduce hunger is essential, and should be an important objective of this conference. The issue need not be one of tradeoffs or of confrontation between these concerns and the goals of overcoming hunger, but should concern integration and phasing. Some of these concerns can only be adequately addressed in the longer term. Others are directly relevant.

Two other elements of the larger perspective need to be clarified. One is the political nature of the hunger problem; the other is the practical possibilities for action.

People often see the hunger problem in its direct food production or nutrition dimensions, but it also has important political dimensions. People are hungry because they are poor, and because they are poor their participation in the political process is weak. At some point, all solutions for overcoming hunger, no matter how seemingly technical, must face the reality that transfers of income or resources, either to consume or produce food or to gain access to other sources of income and social services, are needed. Access to these economic and social opportunities are ultimately issues of the functioning of political systems. Proposals for overcoming hunger often call for political will, but how to achieve this is left vague. This conference can seek to clarify how to develop a basis for political action at the national and international levels that is commensurate with the objective of overcoming hunger.
Despite this huge package of issues that obviously impinge on hunger, and must in some way be resolved, overcoming hunger also involves many practical actions that can be put in place even if larger social and political factors can only be changed slowly. These actions form the basis of the action program discussed later.

Previous Hunger Initiatives

Overcoming hunger has been a recurring theme for decades. The paper Addressing Hunger: A Historical Perspective of International Initiatives (appendix 2), reviews some of these. Progress has been significant. Global food production has increased faster than population, and food consumption has improved (see section, "Time Frame for Reducing Hunger"). Hunger has been reduced both absolutely and proportionately in many developing countries, but the goal of eradicating world hunger remains elusive. Why?

Earlier Hunger Initiatives

Overcoming hunger was a central issue at the time of the establishment of the FAO in 1945, when a proposal was made and rejected to establish a world food board to ensure adequate food for all.

Concern with slow food production growth in developing countries and food shortages in South Asia, China, and the former U.S.S.R. in the mid-1960s led to a number of major conferences held in the United States concerned with food and hunger. Among the more significant were the Strategy for the Conquest of Hunger by the Rockefeller Foundation (1963), The World Food Problem by the U.S. President's Science Advisory Committee (1967), and Overcoming World Hunger by the American Assembly (1969). These resulted in detailed studies of the causes of hunger and related food problems and proposals to overcome these problems. These undertakings contributed to some degree to the green revolution, which produced dramatic increases in food production and reductions in hunger in South and Southeast Asia and in Latin America in the 1960s and 1970s. The FAO also established Freedom from Hunger nongovernmental organizations (NGOs) in the 1960s with networks that continue to operate in Asia and elsewhere.

The green revolution and the mid-1960s emphasis on expanding food production and the availability of agricultural inputs such as fertilizer worldwide, which these initiatives contributed to, resulted in dramatic global food surpluses by 1970. Real world food and fertilizer prices were at historical lows in 1970 and food seemed abundant. These global food surpluses led to dramatic cutbacks in production by major industrial food producing countries by 1971.

These cutbacks coincided with sharp, mostly weather induced, shortfalls in food production in the former U.S.S.R., Africa, and Asia in 1972 to 1973, and with the first oil crisis. This combination of events, which caused a nearly 200 percent increase in world food and input prices, shortages of internationally traded food supplies, and a dramatic drop in food aid, resulted in the world food crisis of 1972 to 1974.

The World Food Conference, held in Rome in November 1974, was the culmination of worldwide concern with the world food crisis. It brought together leaders of 130 countries, officials of the major UN and bilateral agencies, and representatives of concerned NGOs. It gave rise to the most comprehensive effort ever to address the global food and hunger problem. Its twenty major resolutions covered nearly all aspects of world food production, consumption, and trade. The conference adopted the Universal Declaration on the Eradication of Hunger and created the World Food Council, the International Fund for Agricultural Development (IFAD), and the Consultative Group on Food Production and Investment. The world food crisis also spawned a new generation of NGOs, such as Bread for the World and the Hunger Project in the United States. The International Food Policy Research Institute was also created at that time.

Despite the comprehensive framework of recommendations and institutions put in place by the World Food Conference and the network of new hunger- and food-centered NGOs and research centers that emerged, the intense worldwide concern with the food and hunger problem subsided as the global food supply improved after 1974. The newly created UN institutions lacked effective support, and most were gradually abandoned or marginalized. IFAD is one of the few surviving entities. The major recommendations, especially the Universal Declaration on
the Eradication of Hunger, became dead letters. Progress has been made on many fronts, but more outside than inside the framework created by the World Food Conference, and the goal of eradicating hunger had clearly not been achieved.

Recognizing this, and concerned that action be initiated on at least the most serious hunger problems, two conferences were convened. The 1989 Bellagio, Italy, conference proposed a sharply focused objective to reduce hunger by one-half in the 1990s through four “achievable goals,” namely, to (a) eliminate deaths from famine, (b) end hunger in half of the world’s poorest households, (c) cut malnutrition in half for mothers and small children, and (d) eradicate iodine and vitamin A deficiencies. The International Conference on Nutrition, held in Rome in December 1992 and attended by representatives of 159 countries, adopted the World Declaration on Nutrition, which also had as its central element the pledge to eliminate, before the end of this decade, (a) famine and famine-related deaths, (b) starvation and nutritional deficiency diseases in communities affected by natural and man-made disasters, and (c) iodine and vitamin A deficiencies.

**Accomplishments of Earlier Hunger Initiatives**

The earlier attempts to overcome hunger have resulted in a number of significant accomplishments. First, they testify to the continuing concern of many people, governments, agencies, and NGOs to overcome hunger. This concern waxes and wanes, however, and ways have yet to be found to galvanize it into effective and sustained world action to eradicate hunger. Second, they reflect a conviction that overcoming hunger is achievable. For some this should be through more equitable distribution of existing “adequate” food supplies, with the emphasis on equity and redistribution of existing world resources, incomes, and food, because food is a basic human right or a humanitarian obligation. For others it is because of a belief that what needs to be done and what is needed to do it is reasonably well understood. Third, they have generated a large body of analysis on how to identify who is hungry, why, and what can be done, and a number of strong research and NGO groups have emerged to support and expand this effort. Fourth, they have achieved real progress. Per capita world food production and consumption have increased and world food prices have declined. Even more important, hunger has been reduced. Fifth, they have clarified the causes of hunger and how it can be reduced. During the past thirty years many countries, such as Indonesia, Malaysia, the Republic of Korea, and Thailand, have demonstrated how an emphasis on growth using the talents and resources of the poor, with strong reinforcing social services, sharply reduces poverty and hunger. Other countries, such as China, Sri Lanka, and parts of India, have demonstrated that even though people remain poor, reducing hunger significantly is possible. International agencies have also devised approaches to development that shift the focus toward poverty reduction or address specific hunger-related problems, for example, the World Bank’s orientation toward poverty reduction, the United Nations Children’s Fund’s (UNICEF’s) program of oral rehydration, and IFAD’s efforts to alleviate rural poverty and target specific hunger groups. A large number of grassroots institutions and NGOs are also now in place that directly help the hungry and seek to empower them to solve their own food problems. All these efforts show that hunger can be reduced through multiple measures: growth that is well distributed and uses the resources of the poor, public action that assures adequate social services even where growth is constrained, and actions targeted directly at the hungry.

Despite these successes, however, the goal of overcoming or eradicating hunger remains elusive. Why the hunger gap persists despite progress is the central issue. Some of the reasons for this lie in the difficult lessons that have been learned from past initiatives.

**Difficult Lessons Learned from Earlier Initiatives**

The first lesson learned from past initiatives is that there is little support for such global mechanisms to reduce hunger as either a world food board or a world food council. The reasons for this deserve careful thought. They probably have less to do with the lack of support such mechanisms received, although this is one factor, than the fact that multiple and complex issues are involved and decisions need to be made at many levels. Expecting a global mechanism to bridge
this gap is probably unrealistic, and therefore the goal of eradicating hunger through such mechanisms is not taken seriously. Nevertheless, a vacuum exists at the international level if a global effort is to be mounted to overcome hunger and an outstanding issue remains: what mechanism is needed and can work that will focus the multiple efforts of others to overcome global hunger?

The second lesson is that hunger problems are country specific. Within countries they also have regional-, community-, and household-specific elements. At the country level issues range from national economic and social policies to details such as land ownership and distribution, agricultural techniques, and the types of social services that are needed to reach the hungry.

The third lesson is that many problems have to be resolved at multiple levels. Some of these problems are large and complex: governance, equity, approaches to development. Others are technical, but often complex as well: which actions produce the best results in the specific circumstances?

The fourth lesson is that overcoming hunger is clearly not a one-dimensional problem. It is not simply an issue of food and its allocation. Many different approaches to overcoming hunger are relevant and work. How fast growth takes place and how equitable it is are major factors. Hunger has been reduced quickly in those countries in East Asia where growth has been rapid and has used the resources of the poor, where the benefits have been equitably distributed, and where social services such as health and education have been supported. The proportion of East Asia’s population living in poverty fell from a third to a tenth between 1970 and 1990. Although the population increased by 40 percent in these countries, the number of poor decreased by 60 percent. The absolute poor in six East Asian countries numbered 380 million in 1970 and 150 million in 1990. Not only were 230 million poor lifted out of poverty, but another 425 million people were added to the population and are living above the poverty line. By contrast, Africa’s hunger and poverty problems are getting worse, in large measure reflecting the lack of growth.

However, experts recognize that growth by itself is not enough. Some countries have experienced rapid growth, but its distribution was not equitable and it was not supported by growth in social services, for example, Brazil, whereas other countries have failed to grow very rapidly, but have achieved significant improvements in health and in hunger reduction, for example, Sri Lanka.

The fifth lesson is that despite the improved knowledge about who is hungry and how hunger can be reduced, many differences persist among practitioners and policymakers. One reason for this is that the concern about hunger often centers on food as “the staff of life.” Like water and air it is essential for life. Food is a basic human right and therefore on equity and humanitarian grounds it should be provided to everyone. This is a powerful driving force behind many hunger initiatives, and was the basis for the World Food Conference’s declaration to eradicate hunger. In practice, however, food is a commodity. Access to it is largely a function of income and asset distribution, as well as of the functioning (or malfunctioning) of food production and marketing systems. From this perspective, access to food is governed by the same factors that govern access to any other commodity. It is for this reason that hunger and poverty are so closely linked. The vision of global hunger, which seems so clear in terms of the basic human right to food, quickly balloons into a larger settee of political, economic, and social issues that go to the very heart of political and social systems, and on which there is less agreement. There are important differences between approaches to overcoming hunger that rely on the redistribution of existing food, income, or assets and those that stress the need to enable people to earn enough to afford the commodity food.

Another major issue separates those who emphasize food self-reliance at the local or national level and those who stress the role for a well-functioning world market for food. Resolving this issue involves a major effort to reconcile the advocates of two valid approaches.

The final lesson is that global action on hunger requires multiple decisions at many levels. Unless governments put in place mechanisms to identify the hungry and initiate actions to reduce hunger, little can be accomplished. At the same time, unless the international community is prepared to support national efforts and to address those hunger issues that are influenced by international action, national efforts will be constrained. Currently, mechanisms focused on overcoming hunger are weak at both levels.
Time Frame for Reducing Hunger

How one deals with reducing hunger depends on the time frame within which this objective is sought. If, as the World Food Conference proposed, the intent was to eradicate hunger in a decade, then a high priority would have had to be placed on direct interventions and equity actions. Actions would also have had to include proposals for dealing with some extremely difficult situations, such as what to do in war and conflict situations, what to do in cases where government support and policies were lacking, and what to do in the most intractable hunger areas. If the intent is to overcome hunger eventually, as part of a broadly based growth strategy, then a broader array of tools is available, but many people would remain hungry.

There are three broad, overlapping approaches to reducing hunger: (a) through economic growth, (b) through poverty reduction, and (c) through public provisioning. Drèze and Sen have reduced these to “growth mediated security” and “support-led security.”21 In practice, all these approaches have had their successes and failures.22 The following section describes how the World Bank approaches the reduction of hunger through these three approaches. Here we are concerned with the issue of a time frame to overcome hunger in the short, medium, and longer term.

Table 3 illustrates the relationship between the short-term, medium-term, and long-term actions needed to end hunger.

<table>
<thead>
<tr>
<th>Category</th>
<th>Time scale</th>
<th>Initial actions</th>
<th>Food security</th>
<th>Poverty elimination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Policies</td>
<td>Distribution</td>
<td>Feeding centers</td>
<td>Vulnerable areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of food aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;Entitlement,&quot;</td>
<td></td>
<td>&quot;Production, economic growth,&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>direct</td>
<td></td>
<td>&quot;poverty reduction&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>intervention</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Continuum of actions to reduce hunger

that elements of both long-term and short-term actions are not part of the solution, and inevitably shifts the balance of concern toward equity, entitlement, and intervention solutions.

Long-Term Measures

Three things are of overriding importance for overcoming hunger in the long term:

- Sustained economic growth works when it uses the resources of the poor and is equally distributed.
- Public policies that support human resource development and expanded social services (poverty reduction or support-led security) also work.
- Sustained increases in food (and agricultural) production work.

Growth. Examples of dynamic growth-led poverty reduction in Asia have already been cited. Clearly growth by itself is not enough, but it is nevertheless essential. Why does economic growth matter? Growth reduces hunger to the extent that it (a) reduces income poverty, that is, the poor are active participants in the growth process; and (b) is used to finance public support in key areas where markets work poorly, notably, in the provision of basic health, nutrition, and education services. Such an approach is more directly linked to concerns with empowerment and equity than might appear on the surface. While growth alone does not ensure the reduction of poverty or hunger, there are many examples of where it has, Asia being a notable one. Africa is an example of where lack of growth has impeded progress in increasing food production, in generating more employment and higher incomes, and in providing public revenues to support improved social services.

Poverty reduction and support-led growth. Evidence also exists that in countries such as Sri Lanka or in parts of countries such as Kerala, India, where incomes are low and growth has been slow, but there is a high degree of equity or targeted social programs focusing on food, health, and education, hunger has also been reduced and human life greatly extended.23 Actions in these areas include those health, education, nutrition, and other social services that sustain human life and build human capacity to enable people to participate in the development process.
Increasing agricultural and food production. One important factor in the reduction of hunger in the past three decades, and also an indicator of the future, is the longer-term development of the supply of and demand for food. The World Bank recently reviewed the pattern of food production and consumption over the past thirty years and the outlook to the year 2010. The analysis shows that growth in food production continued to exceed population growth during the past thirty years. World per capita cereal consumption has increased by 20 percent since 1960, and in developing countries it increased by 36 percent. Cereal yields continue to increase faster than population growth, while the amount of land used for cereal production has declined: since 1950, 90 percent of the increase in cereal production has come from yield increases.

The analysis also found that the demand for food is not growing as fast as in the past, and as a result, the period of greatest stress on the world’s food production capacity may have passed. During the 1970s, world cereal consumption increased by an average of 2.7 percent per year, but during the 1980s it slowed to 1.7 percent per year despite a decline in real world cereal prices of more than 40 percent. By 2010 world cereal consumption is expected to slow further as incomes grow, consumption patterns change, and world population growth slows.

Diets in developing countries have also changed dramatically during the past thirty years. Per capita calorie supplies in developing countries increased by 27 percent with rising real incomes and declining commodity prices. Asia, which accounts for 59 percent of the world’s population, has seen the greatest improvement in diets, while Africa, which accounts for 12 percent of the world’s population, has had the fewest gains. World population growth slowed from 2.06 percent per year during 1965–70 to 1.74 percent in 1990, and is projected to fall to less than 1 percent by 2025. The countries being left behind present the greatest challenge. Most of these countries are in Africa and the problems are economywide.

The prices of basic staples such as cereals are expected to continue to decline relative to other consumer prices and relative to incomes. By 2010, real wheat prices are projected to decline by 33 percent, real rice prices by 31 percent, and real maize prices by 21 percent. The declines in real food prices have helped large numbers of the poor achieve food security in recent decades, and their continued decline will underpin much of the anticipated progress in future decades. It is the lowered real price of such basic energy-supplying food commodities that provides the simplest market-related means of reducing hunger, even if it adds to the economic viability challenge faced by small-scale agricultural producers who derive some of their cash income through the sale of such grains. World cereal consumption is projected to grow by about 1.4 percent per year, with developing countries increasing their cereal consumption by 2.2 percent per year. To achieve these consumption levels, however, cereal imports by the developing countries are projected to increase from 87 million tons in 1990 to 210 million tons by 2010, continuing the trend toward increased imports that started in the 1960s.

These are simply projections however. They do not deal directly with those who are left hungry nor do they take account of the random elements that contribute to food insecurity, and they raise other issues as well.

First is the need for sustained support to agriculture, including increased support to the Consultative Group on International Agricultural Research (CGIAR) and to national research centers (see box 1).24

While the pattern of past and possible future growth underscores the contribution of sustained agricultural growth to overcoming hunger, the projections also raise long-term issues. One is the implied underlying pattern of future growth, which reflects developing countries’ adaptation to the consumption patterns of the developed world. This has clearly happened and is projected to continue, but many argue that such a growth pattern is not sustainable. Where does the truth lie?

Another concern is that projections of growing food consumption in developing countries indicate increases in imports from the industrial countries. While this reflects a more fully developed world market for food, some question whether it is feasible, sustainable, or desirable. These projections argue strongly that it is. Others argue that it is not.

Short-Term Measures

Much of the concern with hunger is focused on short-term problems: droughts, floods, natural
disasters, and civil and military conflicts. Both the Bellagio conference and the International Conference on Nutrition proposed that ending death from famine should be a specific near-term goal. These conferences provide good examples of ways to address the problems of people experiencing these disasters. Ending death from famine should be an essential short-term component of a hunger reduction strategy.

In recent years, many, including Drèze and Sen and IFPRI, have undertaken major research on how droughts affect those who experience them and how their impact of these events can be kept from resulting in famines. The World Food Programme (WFP), the FAO, and many bilateral agencies are also well equipped to act quickly. The basis for action to avoid famine includes having in place early warning systems, supporting traditional coping strategies, ensuring against loss of assets, and, most important, sustaining entitlements (see also the accompanying IFPRI paper, Ending Hunger Soon: Concepts and Priorities). Many NGOs are actively involved in such relief efforts. The outstanding issues remain: how to deal with famines driven by conflict and how to overcome national policy neglect.

Traditionally the Bank has viewed these problems largely as relief efforts for which other UN and bilateral agencies are better suited. This position is changing, although the pre-eminence of other agencies is recognized. In Africa, where famine remains a serious recurring event, the Bank is rethinking its approach to the problems of drought as a guide to new policy and lending actions.

**Box 1. Research to sustain long-term food production**

Another recent World Bank study finds that meeting the doubled food demand that is anticipated by 2030 seems feasible, but that given the increasingly constrained resource base, supporting agriculture will require substantial productivity gains. Fundamental to meeting the challenge of increasing agricultural productivity will be better application of existing (but underused) knowledge about resource management, and the development of new agricultural technologies and knowledge.

Among the incentives that would encourage farmers to adopt improved technologies and methods, none is more important than the allocation and protection of property rights. In addition, as technologies become more sophisticated, educating farmers and strengthening extension systems is essential, not just to increase production, but to find better ways to use increasingly scarce water supplies. The spread of practices such as conservation tillage and integrated pest management demonstrates that environmentally friendly and economically attractive technologies offer practical alternatives to regulation and subsidies in controlling the environmental costs of agriculture.

Even if existing knowledge is fully exploited, the availability and quality of land and irrigation water will be insufficient to meet demand. Plant genetic resources and climate change are less immediate constraints on increasing global output. Further expansion of cropland by perhaps 25 percent and of irrigated land by 50 percent may be possible, but will have high environmental and other costs. New knowledge will be necessary.

Experience over the past few decades has demonstrated that the generation of new knowledge is the most potent and least costly way to improve productivity. The expansion of knowledge through research and development will need to encompass human capital, institutional innovation, and new technology. New and higher-yielding cultivars of plants will be needed, along with farming systems research that focuses on integrating livestock and crop activities as well as forest and aquatic resources, and on modifying the physical environment in which plants grow, for example, measures that conserve soil moisture and permit more continuous cultivation on the infertile, acidic soils common in many tropical areas.

Deliberate and sustained investment in agricultural research and development has never been more important. Yet expenditures for agricultural research are stagnating or shrinking, both nationally in most parts of the world, and internationally. Research must address the increasing constraints posed by the environmental consequences of agricultural development. The Consultative Group on International Agricultural Research (CGIAR) is placing much greater emphasis on agricultural resource systems and on relatively neglected areas, such as forestry, pest management, and soil conservation and irrigation, to complement the more traditional focus on commodity programs. These changes by the CGIAR need to be reinforced and matched by commitments to strengthen national research systems in these and more traditional directions. Such investments feature long gestation periods, yet have yielded high rates of return. It will only be through continued investment in the agricultural knowledge (education, research, and extension) systems of the developing countries that long-term food security can be safely approached and achieved.

*Source: Crosson and Anderson, Resources and Global Food Prospects: Supply and Demand for Cereals to 2030.*
The response to the 1992 drought in southern Africa illustrates that action to deal with droughts, famines, and other disasters need not wait on further research. The combined efforts of countries and international agencies to respond to that drought is a good example of how effective action can forestall the famine consequences of a major drought. Without these efforts, a major famine could have been expected in southern Africa in 1992-93. That it did not occur was a major achievement.

The fact that war and other conflicts are a major cause of famine poses important issues for the Bank and other organizations. Often Bank operations are halted in such cases. Other agencies and NGOs have been on the leading edge in dealing with the food problems of people facing these conflicts, but these conflicts still impede action in most cases.

Medium-Term Measures

While long- and short-term approaches to overcoming hunger are essential, a realistic attempt to overcome hunger must concentrate on actions that complement these long- and short-term elements, but focus on action that will have a large impact in a relatively short time. Many such actions exist, and they are discussed in the section, “An Action Agenda to Overcome Hunger.”

Current World Bank Actions to Address Hunger

Actions by the Bank address hunger in the three ways cited earlier, that is, through (a) economic growth, (b) poverty reduction, and (c) public provisioning. Bank approaches also include specially targeted actions to address such issues as nutrition, food security, gender, and safety nets.

A long-standing focus of the Bank has been to support countries’ economic growth by financing productive investments (loans and International Development Association credits). Whether for infrastructure, industry, agriculture, power, and so on, the objective is to increase the production potential and the growth of incomes in developing countries, and thereby contribute to the reduction of poverty and hunger. Over time, Bank lending has spread to other sectors, such as health, education, nutrition, urban housing, and water supply, which may have a more direct impact on hunger, but not necessarily a greater impact. The reason why economic growth matters was discussed earlier. While appropriately designed growth strategies alone do not ensure the reduction of poverty or hunger, there are examples where they have done so. When done well, economic growth that uses the resources of the poor not only empowers them, but also enables them to participate.

The Bank has long recognized that growth alone is not the sole measure of development. In the early 1970s the Bank shifted its efforts toward poverty reduction, particularly through its rural development and health and human services projects. By the end of the 1980s these efforts had crystallized into a decisive shift toward poverty alleviation. By means of such publications as the World Development Report 1990, Assistance Strategies to Reduce Poverty, and the Poverty Reduction Handbook, the Bank has demonstrated that “the basic mission of the World Bank and the core of its assistance program is the reduction of poverty.”

The Bank’s strategy is based on supporting labor-absorbing growth and systematic investment in the development of human resources, especially among the poor. It also includes supporting well-targeted transfers and social safety nets. These are actions that reduce hunger.

Recognizing that action at the country level is essential, the Bank is committed to preparing country poverty assessments in all developing countries, most of which will be completed in 1994. These assessments provide the basis for developing the two-part strategy described earlier. They analyze and make recommendations on the following:

- Extent and nature of poverty in each country
- Effectiveness of economic management (short term and long term) in generating growth that makes productive use of labor
- Adequacy of government efforts to provide basic social and infrastructural services to the poor
- Extent, effectiveness, and affordability of social safety nets.

Based on these poverty assessments, the Bank is designing assistance strategies to support poverty reduction that will shape both the volume and composition of its lending. The volume will be linked to a country’s efforts to reduce poverty, and the composition will support these efforts.
Simultaneously, but within the context of its poverty reduction strategy, the Bank has initiated a number of other programs directed at reducing hunger, improving nutrition, or achieving food security.

Nutrition Interventions

Nutrition projects are one of the main direct ways the Bank acts to reduce hunger and malnutrition, specifically targeting nutrition services (including food) to the poorest and most vulnerable elements of populations. In these projects women play a central role both as beneficiaries and as project providers or administrators. Nutrition lending has increased exponentially since 1987. Total project resources mobilized for nutrition in Bank-financed projects increased from US$49 million in fiscal 1987-89 to US$894 million in fiscal 1990-92. Projected nutrition lending in fiscal 1993-95 is US$1.2 billion.

This rapid growth in nutrition lending reflects research findings that show the negative consequences of malnutrition. The Bank recognizes that while economic growth is essential to long-term growth and poverty reduction, for most countries to achieve significant progress for the lowest-income groups through growth alone will take more than a generation. More direct support is needed. Increasing incomes, even among low-income groups, is also insufficient. A series of IFPRI studies demonstrates that behavioral issues and health and environmental factors are also critical in determining nutritional status. Awareness that the Bank needs to consider the consequences of adjustment operations on nutrition and to provide compensatory programs to the most needy has also played a role. After some years of experimentation, the Bank has supported successful models for nutrition projects with a demonstrated impact; for example, the Tamil Nadu Integrated Nutrition Project, which has reached 2 million women and children in 20,000 villages, has reduced the prevalence of severe malnutrition by 55 percent.

Food Security

The Bank has directly addressed hunger in Africa through its food security initiative launched in 1989. In The Challenge of Hunger in Africa, the Bank defined food security as “access by all people at all times to enough food for an active and healthy life,” a condition that some 200 million Africans lack today. The initiative set out a five-point program of action:

- Preparing specific action programs to promote food security in each Sub-Saharan country
- Giving priority to projects and policies that raise the incomes of the food insecure and dampen fluctuations in food prices and supplies
- Strengthening the institutional capabilities of African governments to manage food security programs
- Increasing the effectiveness of food aid, which includes improving the preparation and coordination of responses to emergency food situations
- Making more systematic efforts to identify the people at risk of food insecurity.

The initiative also proposed that a partnership be formed among donors, NGOs, and African governments to support comprehensive policies and programs for food security.

As a result of this initiative the Bank has learned much about the hunger problem and what can be done about it. It has also learned some of the sobering lessons discussed earlier. The Bank has carried out food security studies in a dozen African countries, from which have emerged a number of food security strategies. The Bank has also supported food security projects in six countries: Benin, Burkina Faso, Cameroon, Madagascar, Mozambique, and Rwanda (see box 2). Depending on the specific circumstances of each country, these projects include income-generating components targeted on the food insecure, such as public works; nutrition interventions targeted on the food insecure; support for early warning systems; capacity building to identify the food insecure and to design programs and projects to reach them; agricultural activities targeted on the food insecure; and improved uses of food aid for food security. Many of these projects involve reliance on local community action and NGO support. The Bank has also undertaken an analysis of food aid in Africa with the WFP and an analysis of droughts as they affect people and economies. From these efforts the Bank has learned a number of lessons.

While food security strategies are essential to identify problems in specific countries and to make proposals for action, they can be costly if done well, have often lacked national or benefi-
Appendix 1

The resources devoted to such strategies within the Bank and within countries must compete with the resources devoted to other strategies: environmental, agricultural, forestry, and so on. Given the current overwhelming demands on staff and resources, the feasibility of launching separate food or hunger strategy studies is limited, and thus the needed analysis may need to be included in poverty assessments.

The greatest impact on food security, given the Bank's orientation, is achieved when analysis is combined with the design and implementation of food security projects. Such projects focus the attention and resources of both governments and Bank staff and managers on the issue of food security, and they are the vehicle through which concrete results can be achieved. Projects also provide the Bank with the possibility to support developments on the ground and at the same time to fund the analysis needed to go further.

An Action Agenda to Overcome Hunger

Overcoming hunger requires action in the short, medium, and long term, at multiple levels, in multiple directions, and by many actors. Governments must take the lead, complemented by NGOs and supported by external agencies. The following agenda focuses first on immediate steps that can be taken that will have a high payoff, and then considers priority longer-term actions that are needed to improve small farmer output or raise the purchasing power of the poor.

Drought-Related Famines

The response to slow onset disasters (for example, drought) that result in famines should be

---

Box 2. The Rwanda food security project

The food crisis in Rwanda is the result of the interaction between scarce land and a growing population, which is leading to exhaustion of the soil, smaller farm size, poorer harvests, and increased incidence of plant diseases. Income earned from coffee, which varies with the world market price, also shapes the magnitude and intensity of the food crisis.

Population density is among the highest in the world, with 300 people per square kilometer. Increased fragmentation of the land is taking place and is also making high demands on agriculture (intensification and specialization). The labor force is growing by 90,000 people per year, the majority of whom will have to find their main source of income outside agriculture, but nonagricultural jobs are scarce. Rwanda has reached a stage where virtually all tillable land is cultivated. Hence, increased production is dependent on intensification to increase yields. The issue of food security in Rwanda will be increasingly dominated by the overwhelming need to create jobs and incomes outside family agriculture.

Food availability in Rwanda has increasingly depended on cross-border imports from neighboring countries: Burundi, Tanzania, and Uganda. Food is available in the region and much of it is being officially and unofficially imported into Rwanda. The food security action plan for Rwanda recommends:

1. Harmonizing economic policies among neighboring countries to increase the efficiency of interregional trade.
2. Improving the performance of the small enterprise sector (formal and informal) to broaden the sources of employment and income creation.
3. Developing a nutrition policy.
4. Supporting intensive agriculture and policies to halt further fragmentation of the land.
5. Strengthening early warning and emergency preparedness systems.

In support of this action plan the Bank has financed a food security project with:

- Food and nutrition components
- Labor-based public works components
- Microenterprise and development components
- Social surveys to enable improved targeting of future interventions.

The objectives are to improve the food security and social welfare of the poor, improve the government's capacity to monitor food security, and initiate a long-term poverty alleviation strategy.

Other World Bank-supported food security projects include the following:

- Republic of Cameroon Food Security Project, February 1991
- Burkina Faso Food Security and Nutrition Project, June 1992
- Madagascar Food and Nutrition Project, February 1993
- Republic of Mozambique Food Security Capacity Building Project, April 1993

substantially improved. A more collaborative effort by the UN agencies, international financial institutions, and NGOs is needed to:

- Integrate a drought response strategy into the country assistance strategies and project designs of drought-prone countries or regions.
- Strengthen countries’ capacity to prepare for and mitigate drought. This will reduce the need for emergency relief and smooth the transition from drought to recovery.
- Improve lending instruments to provide greater flexibility for foreign exchange requirements associated with famines.

**Immediate Actions to Address Chronic Hunger**

As a follow-up to the *World Development Report* 1993, the goals of the September 1990 World Summit for Children, and the December 1992 International Conference on Nutrition, countries need help to prepare, implement, and finance action plans for synergistic, low-cost, hunger-reducing health and nutrition interventions. A few specific low-cost interventions are relatively easy to implement and can have an immense impact on the health and nutritional well-being of poor people, especially women and children. These include the following:

- Reducing vitamin A, iodine, and iron deficiencies through fortification, supplementation, and dietary modification
- Expanding childhood immunization coverage from 80 to 95 percent
- Implementing low-cost programs for controlling parasitic infections that cause anemia and malnutrition.

These services should be linked to nutrition education through community-level delivery. Such action plans would be sharply targeted on the most cost-effective interventions similar to the successful UNICEF program on oral rehydration. There is no reason why all developing countries should not achieve comprehensive coverage of their populations within five to seven years.

Targeted food assistance programs should be mounted that provide food entitlements to children and to entire families whose children and mothers have been identified as malnourished in health posts, schools, or other social programs through growth monitoring. Entitlements should preferably be provided in the form of food stamps, free ration cards, or vouchers (see, for example, the Chile and Honduras case studies) unless direct food supplements can be shown to be more effective and efficient. Food assistance delivered to undernourished mothers and children at health posts combined with nutrition and health education is particularly effective, especially as the impact can be closely monitored (see Chile, Tamil Nadu, and Zimbabwe case studies). Close collaboration in these interventions is needed between UNICEF, the WFP, the World Bank, and community-based organizations and NGOs.

Food aid is a valuable tool to overcome hunger, and it is often preferable for it to be monetized, and the counterpart funds made available to finance food entitlements. These interventions should be supported by assistance for nutrition education and the provision of micronutrients and health services. The WFP and contributions from bilateral food aid donors are essential in this effort. The Committee on Food Aid Policies and Programs is one institution through which to develop such programs.

Where the potential for income generation is poor, help can be provided to finance employment generation programs along the lines of the Botswana Food-for-Work Program or the largely self-targeting Maharashtra Employment Guarantee Scheme.

**Actions to Address Chronic Hunger in the Medium Term**

In development projects, and especially in adjustment lending, it is essential to encourage employment-intensive growth as the most powerful approach to reducing poverty in the medium to long run. Governments should be encouraged to undertake measures that:

- Promote macroeconomic stability and openness of the trade regime
- Eliminate direct and indirect taxation of the farm sector to encourage domestic food production and rural income and employment growth
- Eliminate anti-employment taxes and credit subsidies
- Reduce the extent of direct and indirect labor taxation and increase cost-effective, labor-intensive infrastructure construction.
Countries should be encouraged and assisted to mount income generation programs in rural and urban areas, including following specific key actions.

Much can be done to focus government extension and research on the needs of small farmers to help overcome hunger, both to produce more food and to generate more income to do this. Specifically this includes

- Continued emphasis on small farmer extension and other agricultural programs targeted at the poor
- Strong support for national agricultural research systems, with special emphasis on the farming systems characteristic of the poor
- Intensified support for the CGIAR to undertake research on food commodities that are particularly important in the consumption and production of the poor, and on policies and programs intended to help small farmers, and especially poor women farmers.

Within the context of overall financial sector reform, increased attention should be given to policies and programs that provide small loans to the rural and urban poor, particularly women, along the lines pioneered by the Grameen Bank in Bangladesh, and more recently by the Foundation for International Community Assistance (FINCA) in Latin America and the Freedom from-Hunger Campaign (FFHC) in Africa. Programs of the Grameen type combine credit with the provision of advice and public education on sound nutrition and health practices, family planning, and sanitation. External aid agencies should encourage the exploration and establishment of programs that address the credit and savings needs of the self-employed poor. In particular, donors could

- Explore the possibilities for establishing funding mechanisms to support micro-credit schemes. One beneficiary of such support could include the program for establishing and supporting Grameen Bank replicators, FINCA's village banks, or their equivalents worldwide (see FINCA and FFHC case studies).
- Provide grants to NGOs that are experimenting with new ways to reach the poorest and hungriest people.

Group-based micro-enterprise credit is often most appropriate for situations of high population density, landlessness, and a thriving urban or rural nonfarm economy. In some countries it is being tested in an urban setting. Such credit, however, is more difficult to manage in more sparsely populated and highly risky agroclimate zones such as the semi-arid tropics. Nonetheless, informal credit mechanisms that could be fostered exist even in these areas (see Indonesia case study).

**Actions to Achieve Sustained Long-Term Poverty Reduction**

Reform measures to reduce fiscal and monetary imbalances, reduce market distortions, and promote efficient public management are essential to foster economic growth (see *World Development Report 1991* for a detailed exposition of successful development strategies). Development practitioners recognize that such measures may have a short-term negative impact on the poor and the hungry unless special compensating actions are undertaken. Consequently, it is imperative that every effort is made to protect and help such vulnerable groups (see box 3), including:

- Protecting primary health, nutrition, and targeted food assistance programs from cuts
- Increasing targeted compensatory expenditures for vulnerable groups through safety net actions, including social funds and public works employment programs, where basic food prices are likely to rise
- Improving the targeting of food subsidies to the poorest and most vulnerable groups
- Introducing cost-effective strategies and financing plans to stabilize the prices of the most essential staple foods under conditions of large temporary international price shocks
- Expanding the access of the poor to credit to enable them to acquire assets so as to become productive.

For the rural poor, who comprise the largest segment of poor people in the world, the key to income generation is getting land, because they have no assets other than their labor. Having land not only allows them to produce income and food for themselves, but also allows them to tap commercial bank credit and to be integrated into broader social networks, thereby allowing them to withstand droughts and other shocks better. By shifting assets to poor rural people, we can give them a buffer. Moreover, in low-wage countries, large farms tend to have lower productivity and
to employ fewer workers than small farms. Therefore land reform can improve the efficiency of agricultural production and help absorb increasing labor forces (see *World Development Report* 1990). Land reform in countries with highly unequal land distribution can use market-assisted programs to make agricultural land available to the landless. The African National Congress is considering such a land reform option in South Africa, where the party proposes to transfer land to the victims of apartheid during a five- to ten-year period.

There are critical areas in which the line between hunger and environmental sustainability is most sharply drawn. In such cases too communities need special assistance to tackle their critical natural resource management problems (see the Niger case study).

**Issues for Discussion**

Widespread agreement exists that persistent chronic hunger is primarily a consequence of extensive continuing poverty. The experiences of

---

**Box 3. Addressing hunger in structural adjustment**

One of the most sensitive areas where reducing hunger and achieving growth impinge concerns structural adjustment operations. Ensuring that the macroeconomic environment is right for sustained growth is important for the long-term development of a country, but this concern with the long term must not eclipse actions urgently needed today to overcome hunger. An important principle in adjustment operations is that, at a minimum, there should be no net losers among the hungry. How this might be done in two key areas of adjustment is described below.

**Maximizing Benefits**

- Stress the creation of employment for unskilled workers in hunger prone areas and seasons (there may be opportunities for incentives to encourage investment in such schemes).
- Provide vocational training programs, extension services, and credit that would help the ultra-poor take advantage of the opportunities in cases where devaluation has increased the opportunities for domestic production.
- Ensure that where agricultural incentives are improved, that marginal farmers also benefit through special programs introduced to overcome constraints (for example, access to credit, labor constraints at critical seasons). This particularly applies to women farmers.
- Gear agricultural extension and other services toward helping improve household nutritional status.
- Ensure that when adjusting relative prices, goods produced or consumed by the poorest are favored.
- Ensure that priority is given to provision of primary health care in hunger prone regions, that services are free to the ultra-poor, and that adequate stress is given to appropriate nutrition education and to reducing diarrheal disease through such measures as improving sanitation when restructuring health services.
- Ensure that stress is given to improving vocational education, adult literacy, and other programs that develop human capital, and therefore the income-earning capacity of the ultra-poor when restructuring education services.
- Ensure that agricultural services give priority to extension services that are of special value to marginal farmers, particularly women farmers.

**Protecting the Hungry from Shocks**

- Adjustment programs should include monitoring of the impact of reform measures on the poor and, within this, focus especially on the nutritional status of vulnerable groups and on the income levels of the ultra-poor.
- Whenever an adjustment measure might create hardships for the ultra-poor, the cost to specific population groups should be calculated and studies conducted to identify the most effective mechanism for ensuring that at least an equivalent benefit is provided. Such a study should involve consultation with the vulnerable groups themselves, who should also be involved in the execution of the compensatory program to ensure minimum leakage to local elites and others.
- When cuts in subsidies are required, they should be concentrated on those subsidies enjoyed mostly by the better off (for example, those provided for rail and air travel, energy, and certain kinds of foods).
- When subsidies are cut, those used significantly by the ultra-poor should be retained wherever possible.
- When expenditure cuts require reduced services, those that benefit the hungry should be retained, and when adjustment programs lead to increased food prices, additional measures are required to ensure that the poor are compensated.
the past twenty-five years indicate clearly which development strategies have been successful and which have not, both in raising per capita incomes generally, and in achieving a reduction in poverty specifically. These were discussed in some detail in the world development reports for 1990 and 1991. The persistence of considerable poverty in many countries is caused not so much by a lack of knowledge about what measures need to be adopted, but rather by a failure to adopt sound economic and social policies and to implement them with persistence and determination. The reasons for this are weak institutions and capacities, political blockages and disagreements, and poor governance. A lack of natural resources and a harsh climate are drawbacks, but not insuperable obstacles, as the Republic of Korea has dramatically demonstrated.

Even though economic growth does result in a reduction of poverty, and hence of hunger, growth alone will not be enough to overcome malnutrition and food insecurity, as can be seen from the experience of Indonesia. Specific targeted interventions are also needed to address chronic hunger, protein and micronutrient deficiencies, and transitory food shortages.

To achieve a rapid reduction in global hunger, a number of issues need to be resolved.

- Countries need to establish a focal point to initiate and coordinate a well-articulated strategy for overcoming hunger. Because hunger reduction is multisectoral, such a focal point must succeed in coordinating actions that are the responsibility of several sectoral ministries, which is inherently a difficult task. Where should such a focal point be located to be effective?
- External agencies have a major role to play in providing food and financial aid to countries with hungry populations. To be effective they too need to establish a focal point capable of achieving a coordinated and pro-active response. How can they best do this?
- How can a global program to overcome hunger be given sustained global support? If a world food board or world food council is not the answer, what is the answer?
- A great range of direct interventions is possible, but resources are inevitably limited. Which interventions are the most cost-effective? Which set of interventions is best adapted to a particular country's circumstances? In general, answering these questions will require a systematic economic and social evaluation of these interventions and a knowledge of country conditions that can only be acquired through household surveys like those now being undertaken in Africa as a follow-up to the Social Dimensions of Adjustment Program, and the Living Standards Measurement Study surveys being carried out elsewhere. How can this process be accelerated?

- A division of opinion exists between those who stress growth and poverty reduction as the best means of addressing poverty, and advocates of direct interventions that stress empowerment, equity, and the right to food. Both groups are working in the same direction to a great extent. Are these two options alternatives or complementary actions?
- If hunger reduction in the short term involves food or cash transfers to the poor, what share of government and international budgets should be devoted to this goal?
- How can existing knowledge about how to prevent famines be applied in Africa, and especially to avert slow-onset (drought) disasters?
- Given that in a number of countries poor governance leads to a lack of leadership concern about hunger, what can be done to give hunger alleviation greater priority in government agencies in those countries?
- Because food is both essential to sustaining human life and a commodity, how can these concerns be brought together? The first emphasizes social and political analysis, the latter economic analysis. Important methodological differences as well as value judgments are involved. How can each concern inform the other?
- How can the need for empowerment, which places a high priority on household, community, and national food self-reliance, be more effectively linked with the equally important need for an expanding and well-functioning world food market? Both are essential for overcoming hunger worldwide. Both need to be efficient, sustainable, and equitable.
- What is the place of overcoming hunger in the context of development and poverty reduction? If overcoming hunger is to have a high priority, how can this be realistically achieved?
Notes

4. The companion paper referred to is *Ending Hunger Soon: Concepts and Priorities*, in this volume.
10. Sterling Wortman and Ralph W. Commins, Jr., *To Feed This World* (Baltimore, Md.: Johns Hopkins University Press, 1976), 85.
12. The Bellagio Declaration: Overcoming Hunger in the 1990s (Bellagio, Italy, November 1989).
20. UN Declaration on Human Rights.
29. The FAO has also prepared a number of food security strategies in African countries, namely, in Chad, Niger, Tanzania, and Zambia.

---

Overcoming Global Hunger: An Issues Paper 145
Appendix 2

Addressing Hunger: A Historical Perspective of International Initiatives

Hunger has been the focus of international policy pronouncements and conferences for a long time. Development institutions such as the World Bank, the International Fund for Agricultural Development (IFAD), the World Food Programme (WFP), the Food and Agriculture Organization of the United Nations (FAO), and the United Nations Children's Fund (UNICEF), along with governments and nongovernmental organizations (NGOs), have emphasized the hunger focus of their assistance programs. This cursory review of the history of hunger initiatives can only touch on some of its highlights. It attempts to explain why some dimensions of hunger have been more successfully addressed than others and some institutional frameworks have worked better than others.

There are three basic manifestations of hunger and malnutrition: (a) starvation, which is a life-threatening condition caused by insufficient food that is generally associated with acute situations like famine; (b) chronic hunger or undernutrition, which is caused by a long-term intake of calories that is insufficient to cover nutritional needs; and (c) pathological conditions, which result from inadequate consumption of calories, protein, and micronutrients, and are often found in combination with infections and inappropriate nutrition-related behaviors.

Major conferences, such as the World Food Conference or the World Nutrition Conference, as well as development organizations and donor governments, deplore hunger in all its manifestations and recommend remedies for its eradication. Often, however, actions are selectively applied to only the more readily tackled forms of hunger. While this is understandable and may well be the cost-effective thing to do, one must be on guard that this should not become a "smoke-screen" (unintentional or otherwise) that obscures the failure to act on the most difficult manifestation of hunger, chronic undernutrition.

The world has made progress toward eradicating starvation and some forms of malnutrition, but less (and some might say very little) toward alleviating chronic hunger and food insecurity. The reason is that one can address starvation and malnutrition through relatively short-term superficial interventions that do not significantly alter prevailing economic and power structures. The alleviation of chronic hunger, by contrast, requires politically far more difficult solutions. Chronic hunger is a reflection of poverty, and therefore of the existing distribution of wealth and power within a country.

Hunger initiatives are directed toward different audiences. This review covers primarily initiatives emerging from institutions or conferences intended to provide blueprints for action. This selective emphasis on action-oriented initiatives does not imply that we underestimate the value of hunger initiatives that reach out to the much broader audience of public opinion.

Without support from public opinion and political pressure, both in rich and poor nations, the implementation of specific action initiatives...
would have little chance. Thus, many of the conferences and organizations covered in this review may well have made important additional contributions through their impact on creating public awareness. "Media events" directed exclusively to broader audiences are of immeasurable value. These include such events as Live Aid, Band Aid, and the less glamorous, but perhaps even more influential, continuous educational work of (often church-related) NGOs. Such humanitarian-oriented initiatives increase the availability of resources from private and public sources for relief aid and give governments an incentive to act.

In recent years developmental and humanitarian orientations have converged noticeably. Humanitarian-oriented efforts, properly administered, do increase resource mobilization significantly. Authorities are increasingly aware that development is a prerequisite for the prevention of future, more severe emergencies. Those concerned with development now recognize the need for remedial action or safety nets for those families suffering from hunger today.

Many different proposals for addressing the hunger problem have been made. These can be classified into two broad headings as shown in table 1. The first group is the macro solutions, which aim at changing the environment in which all people, including the hungry, live. They include measures that are intended to increase or stabilize global and national food supplies by promoting food production, trade, and stockholding. They also include measures to increase the wealth of nations.

The second group, poverty-oriented solutions, emphasizes the inadequacy of purchasing power and attempt to improve directly the present living conditions of people who are hungry either by enabling them to earn higher incomes with which to procure more food, or by enabling them to produce more food, or both. Efforts generally rely upon ways to increase poor households' access to more adequate and higher-quality diets, primarily through gains in income from all sources, but also through nutrition education and nutrition-related health programs.

Agricultural or supply-oriented solutions view hunger as a symptom of inadequate performance by the agricultural sector, either globally or in particular nations. Those solutions that concentrate on increases in GNP view hunger as the result of poor performance by national economies as reflected in national per capita income.

Preventing starvation arising from natural or man-made calamities or eliminating a particular malnutrition problem usually calls for direct delivery (last column of table 1). The solutions to

<table>
<thead>
<tr>
<th>Table 1. Classification of hunger solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>- Research and extension</td>
</tr>
<tr>
<td>- Conservation of natural resources</td>
</tr>
<tr>
<td>- Stocks</td>
</tr>
<tr>
<td>- Postharvest food loss elimination</td>
</tr>
<tr>
<td>Stabilizing supply</td>
</tr>
<tr>
<td>- Stocks</td>
</tr>
<tr>
<td>- Early warning</td>
</tr>
<tr>
<td>- Research</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Increasing consumption and improving distribution</td>
</tr>
<tr>
<td>- Food market intervention</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>- GNP growth</td>
</tr>
<tr>
<td>- Aid in money or in kind</td>
</tr>
<tr>
<td>Stability of income</td>
</tr>
<tr>
<td>- Food compensatory financing facilities</td>
</tr>
<tr>
<td>- Grain reserves</td>
</tr>
<tr>
<td>Income distribution</td>
</tr>
<tr>
<td>- Unemployment insurance</td>
</tr>
<tr>
<td>- Food subsidies or vouchers</td>
</tr>
</tbody>
</table>
tackle chronic hunger are much less obvious and will be duly noted later.

**Starvation, Famine, and Emergency Relief**

The number of people affected by famine, an estimated 15 to 35 million, is small compared with the close to 1 billion people who suffer from a more chronic form of hunger. Since the 1950s the incidence of famines has shifted from Asia to Africa. One estimate suggests that the population of countries reported to be affected by famine has declined from a peak in 1957–63, with a yearly average of 788 million people, to 264 million in 1978–84. This downward trend continued during the next seven years (1985–91), when the population of famine-plagued countries averaged 141 million. In 1992 famine was reported only in Somalia and the Sudan, with combined national populations of 35 million.1

International and national emergency relief efforts to combat starvation and famines have been extensive and relatively successful. Natural disasters used to claim millions of lives. Today, outside of Africa, with few exceptions only people who are subject to ruthless neglect or active pursuit by their own governments are threatened with starvation. Intolerance of famine caused by natural or man-made disasters is one of the most striking accomplishments in the international community’s struggle against hunger.

With the important exception of Africa, famines resulting from natural causes have become less frequent and severe, but not because climates and food production have become more stable. More efficient transportation and better communications have improved international and domestic preventive and relief operations. In addition, the greater effectiveness of trade as a stabilizer and stronger international and national solidarity, backed up by public action, have reduced the ravages of famine.

In Africa, by contrast, drought-related disasters are occurring with greater frequency and impact. Estimates of deaths in Africa during the 1980s range from 400,000 to as high as 2 to 3 million for the 1983–84 drought alone. In 1991, 23 million people were seriously affected by drought in Africa.2 Indeed, between 1987 and 1989 nearly 58 percent of all food aid for disaster relief was shipped to Sub-Saharan Africa.

**Relief Agencies, Early Warning Systems, and Food Aid**

Several international agencies are involved in relief activities. Since 1992, the United Nations (UN) Department of Humanitarian Affairs, under which the Office of the UN Disaster Relief Coordinator and the UN Disaster and Rehabilitation Office operate, has been responsible for coordinating international relief and assisting countries with disaster prevention and preparedness. Under its authority is a revolving fund of US$50 million and a register of standby worldwide capacities to ensure rapid and coordinated response by the organizations of the UN system.

Effective early warning systems at the international, regional, and national levels have averted or mitigated the effects of natural disasters, especially those caused by local harvest failures. The FAO’s Global Information and Early Warning System, an international information network that relies on such sources as satellite-conveyed data and reports provided by NGOs, anticipates and assesses severe food shortages throughout the world. It provides assessments on a regular and an alert basis, largely in terms of national food balance sheets and food import gaps oriented to provide information to food aid donors. The Famine Early Warning System, funded by the U.S. Agency for International Development, provides detailed agricultural information, but geographic coverage is relatively limited. The System d’Alertes Precoces, established by the European Economic Community and implemented by an NGO, has been particularly effective in Chad and Mali. A number of separately funded early warning systems now exists in Africa.

Emergency food aid is the primary means by which the international community responds to disasters. In 1990, approximately 32 percent of food aid for emergency purposes was provided through the WFP. In addition, the WFP made procurement, transport, and monitoring services available to bilateral donors, whose contributions accounted for some 15 percent of emergency food aid. Food aid distributed by the NGOs from their own resources and from those of the bilateral donor programs accounted for more than one-third of the total. Other multilateral programs distributed the balance.
The International Emergency Food Reserve, established in 1975, is a reserve for which participating donor countries pledge in advance to make grain available when the WFP alerts them that such aid is necessary to avert starvation in the face of nonrecurring natural disasters or wars. It is the only international mechanism specifically designed to respond to food emergencies. Relief for long-term refugee operations is handled under a special fund separate from the International Emergency Food Reserve.

Response of the World Bank and NGOs

Since its earliest days, the World Bank has responded to emergencies by providing advice and financial assistance, mostly through emergency recovery loans, the modification of existing loans (notably the reallocation of funds to critical investments of the Bank’s existing lending program for the country related to emergency relief), or both. Bank policy specifies that all emergency recovery loans and, when appropriate, other investment operations in disaster prone countries, should include disaster prevention and mitigation components, such as the installation of early warning systems and studies to prepare a disaster prevention strategy and develop the institutional framework best suited to implement it.

The importance of NGOs in international responses to famine is unparalleled. The nature of NGOs has permitted them, at times, to side-step some of the thorny issues of national sovereignty. The role of the private voluntary agencies, particularly CARE in Somalia, is a dramatic example of the growing commitment to eradicating starvation and of the sophistication of modern relief efforts in terms of capacity to distribute large volumes of food quickly in a hostile environment. In many countries, particularly in Africa, the authorities see the NGOs as effective in the responsibilities that they assume, namely, targeting food distribution to vulnerable groups, engaging in emergency water and sanitation activities, helping displaced people, and supporting the recovery of agriculture.

Alleviating Malnutrition

Earlier we noted the three basic manifestations of hunger and malnutrition: starvation, chronic hunger or undernutrition, and the pathological conditions resulting from inadequate consumption of calories, protein, and micronutrients, often in combination with infections and inappropriate nutrition-related behaviors. One of the essential characteristics of the latter is that while it is often symptomatic of poverty, some of its effects can be dealt with quite effectively with modest resources and without major improvements in the economy. Indeed, Alan Berg writes:

Although malnutrition is closely linked to a country’s level of economic development, nutritional improvements need not await development . . . . Addressing the underlying causes of poverty remains a vitally important development objective. But the time required to reach the most impoverished and the immediacy of the malnutrition problem argue for a continuing direct attack on nutrition deficiencies as well . . . . Efficacious and affordable measures are at hand.

The remedies for malnutrition can cure some of the effects of the lack of access to an adequate diet and circumvent the causes. Malnutrition interventions, frequently financed with international assistance, include highly targeted food distribution and supplemental feeding programs for mothers and children, food supplements, fortified foods, and nutrition education. These measures are efficacious, and they are sometimes supported by powerful national interests precisely because the measures reduce human suffering, yet do not threaten existing political and economic structures.

Foreign Assistance Agencies

International attention to the problem of malnutrition in large populations led to the establishment of the Sub-Committee on Nutrition, a forum in which all UN and bilateral aid agencies exchange information and issue pronouncements about the nature and causes of and remedies for malnutrition.

In the forefront of supporting measures to alleviate malnutrition over the years have been UNICEF, the World Health Organization (WHO), the FAO, and several bilateral assistance agen-
Addressing Hunger: A Historical Perspective of International Initiatives

In recent years, the World Bank has also become an active participant. One of the earliest successes of nutrition intervention was the promotion of salt iodization, which began in the 1950s through organizations such as the WHO and UNICEF. While the practice has been adopted throughout the world, political indifference has prompted lack of compliance, and in many developing countries endemic goiter remains a serious problem.

Iron deficiency is the most widespread nutrient deficiency in the world. Despite the recognition of its contribution to morbidity and mortality from infectious disease, its damage to effectiveness in education, and its direct effect on work productivity, consensus on an appropriate, easy technology to prevent it is lacking. As interventions to prevent iron deficiency have held a low priority on national and international nutrition agendas, the fortification of foods, including beverages, salt, and sugar, is rarely adequately implemented.

Attention to the significance of vitamin A was previously limited to the severe ocular manifestations of xerophthalmia and keratomalacia, but recent research has established a relationship between vitamin A status and mortality and morbidity in young children from infectious diseases. The WHO and UNICEF have strongly promoted the distribution of vitamin A palmitate to all children up to two years old in countries at risk of vitamin A deficiency. This program has been well administered and aggressively pursued, and has met with considerable success. However, success has been limited by the extremely poor infrastructure in some risk areas and the possibility of incomplete protection because of the difficulty of ensuring that children receive adequate dosages.

The major nutritional intervention efforts of the 1960s were the FAO, WHO, and UNICEF applied child nutrition programs. The three external agencies collaborated in sponsoring programs that would involve the ministries of education, health, and agriculture and included school and home gardens, nutrition education, and supplementary feeding. In at least forty countries, demonstration communities were carefully selected and external resources were provided to supplement those available from the government. While the pilot programs were for the most part successful, the governments lacked the resources to extend these programs nationally.

In the 1960s nutritional rehabilitation and mothercraft centers, with their emphasis on nutrition education, came into vogue. Community weight-for-age surveys were conducted to determine which children were suffering from moderate to severe malnutrition. Supplementary feeding was combined with maternal education.

Antedating all other nutritional interventions, supplementary feeding programs have been by far the most prevalent. Food aid made readily available from large donor surpluses supplied these programs. UNICEF, as well as CARE, CARE-ITAS, and other private voluntary agencies, provided food aid to school feeding programs and mother and child feeding centers. Despite their relatively high counterpart costs in terms of storage, transportation, and personnel, host governments usually welcomed these programs.

**World Bank Nutrition Initiatives**

Nutrition became an object of World Bank attention in the 1970s as part of its basic needs approach. At the time, Bank staff were concerned about the potentially harmful effects of malnutrition on the mental development of hundreds of millions of children. While there was much uncertainty about what could be done, arguing that malnutrition should not be a central concern for a development agency became difficult.

Later, a new professional consensus established that often malnutrition is not caused by inadequate protein intake, as earlier studies had emphasized, but by insufficient food energy. With this understanding, malnutrition could no longer be regarded as just another disease that could be cured by administering the appropriate medicines or vaccines. Furthermore, the work of two Bank economists—Selowsky and Reutlinger—showed that even if the cost of increasing poor people's food consumption to meet caloric requirements were not low, highly targeted subsidized food programs could show positive economic benefit-cost ratios. Discrediting the notion that there was necessarily a tradeoff between growth and poverty alleviation justified the implementation of policy interventions that provided minimum adequate food, health, education, and shelter for specific groups.
In the mid-1970s the World Bank began to explore how it might contribute to the improvement of nutrition. A learning-by-doing approach was adopted for large nutrition projects in Brazil, Colombia, India (the state of Tamil Nadu), and Indonesia. Each included components for institution building, a food subsidy program, and nutrition education. Later the Bank decided that it should try to incorporate nutritional concerns into agricultural and rural development projects, and that improvements in nutritional status should become an objective and part of the design of health projects. The thrust of the Bank’s nutrition programs concentrated on its particular advantage in drawing officials’ attention to problems, assisting in planning, furthering the development of project analysis, and providing enough resources to make significant interventions possible. Recent years have seen the development of a sizable portfolio of nutrition operations in the Bank.

Recent International Conferences

Recently, several major conferences have concluded by endorsing targets for reducing malnutrition. While having little direct bearing on reducing malnutrition as such, development practitioners see target setting as useful in establishing international priorities, providing a yardstick against which to measure progress, and influencing the budgetary allocations of international and national donors. Substantial efforts would be needed to achieve these goals. According to the UN Administrative Committee on Coordination/Sub-Committee on Nutrition’s Second Report on the World Nutrition Situation 1992, the rate of improvement in the nutrition situation is generally far below that needed to meet internationally agreed goals.

The nutrition goals of the World Food Council’s 1989 Cairo Declaration, later incorporated into the UN international development strategy for the 1990s, called for, among other things, the elimination of major nutritional deficiency diseases. The Bellagio Declaration of 1990 proposed nutrition goals, including the eradication of iodine and vitamin A deficiencies, along with cutting hunger in the poorest households by half in ten years.

The UNICEF 1990 Children’s Summit also set nutrition goals to be achieved by 2000 that were subsequently endorsed at the WHO/FAO 1992 International Conference on Nutrition. These goals included reducing iron deficiency in women by one-third of 1990 levels, virtually eliminating iodine deficiency disorders and vitamin A deficiency, promoting exclusive breastfeeding for the first four to six months of a child’s life, and reducing severe and moderate malnutrition of children under age five to one-half of 1990 levels.

Chronic Hunger and Undernutrition and Food Insecurity

Chronic hunger persists: nearly 1 billion people silently suffer from chronic hunger. Today about as many people as in the 1970s do not earn enough money to secure an adequate diet. Progress in alleviating hunger has certainly fallen short of the targets set by numerous forums that have been convened to give expression to the global community’s abhorrence of the persistent presence of chronic hunger. To be sure, there have been dramatic success stories, particularly in Asia. Unfortunately, hunger has become more severe in many other countries, predominately in Africa.

Chronic hunger has been the target of many pronouncements and initiatives. It is not our intention here to evaluate whether all or any of these initiatives have been effective in reducing hunger. Sorting out the positive and negative consequences of deliberately pursued policies and actions and of uncontrollable factors in the environment on the observed outcome would be a major undertaking. The best we can hope to accomplish is to record the approaches that have been tried and to speculate why, in our opinion, some have worked better than others so as to distill some lessons.

The World Food Conference and Its Aftermath

The World Food Conference held in Rome in 1974 is widely claimed to have been a major milestone in drawing attention to the hunger problem in developing countries. However, did this conference put the train on the right track or actually derail what could have been a promising beginning? Although subsequently billed as a major hunger initiative, the World Food Conference
was actually convened as a reaction to a sharp rise in world food prices (together with the prices of many other commodities), which were misinterpreted as an indication of an impending supply scarcity. At the same time, the framers of the Club of Rome formulated their pronouncements of doom. Managers of the economies of the industrial as well as the developing countries become concerned about the inflationary effects of food prices and their political consequences.

With Malthusian fears in the air, the conference identified inadequate food production in the developing countries and flaws in the international commodity markets as major contributors to hunger. Its resolutions were designed to address these culprits. In so doing, the conference endorsed much of the supply initiatives that dominated international hunger dialogue in the ensuing decades. Despite the adoption of the Universal Declaration of the Eradication of Hunger, which proclaimed that "every man, woman and child has the inalienable right to be free from hunger and malnutrition in order to develop fully and maintain their physical facilities," the fate of the poor people afflicted with hunger was not central to the conference deliberations.

The first resolution of the conference report declared that agricultural production in developing countries should grow at an annual rate of 4 percent. To supplement inadequate production in developing countries, the conference recommended that food aid donors "provide commodities and/or financial assistance that will ensure in physical terms at least 10 million tons of grain as food aid a year, starting from 1975." As a means of increasing stability in the world grain market, the conference endorsed the establishment of an international coordinated system of national grain reserves, the provision of additional assistance to developing countries to establish these reserves, and the conclusion of international negotiations for a reserve system agreement.

The conference also established three international organizations to deal with the hunger problem: the Consultative Group on Investment in Food Production, the FAO Committee on World Food Security, and the World Food Council. All these organizations were either meant to address food supply issues or ended up doing so for a good part of their existence. The relationship between hunger and poverty was only tangentially addressed.

The Consultative Group on Investment in Food Production. The Consultative Group on Investment in Food Production went out of business soon after it was founded, but not because of a lack of interest in investment in food production. To the contrary, by that time the World Bank, under the leadership of its activist president Robert McNamara, had already reshuffled its portfolio of investments and otherwise expanded the resources going into agriculture and food production. Moreover, once IFAD was funded, the consultative group had little reason to exist.

The FAO Committee on World Food Security. The FAO Committee on World Food Security was set up to assess the world food security situation. During the early years of its existence, one of its major preoccupations was monitoring the level of world cereal stocks as compared with consumption. The committee considered that stocks equivalent to 17 to 18 percent of consumption were the minimum level required for world food security. In addition, during its annual meetings, at which delegates convene to discuss the world food situation and measures to address hunger, the committee is presented with reports for its consideration on various FAO initiatives with more or less relevance to hunger and food security.

In recent years, the committee has given much attention to the FAO's Food Security Assistance Scheme and the Global Information and Early Warning System. The Food Security Assistance Scheme provides developing countries with technical and financial assistance to design and implement food security strategies. This assistance frequently includes improved data and information networks, food stocks, and programs to increase production.

In 1985 the FAO unanimously approved the World Food Security Compact, which reaffirmed "a moral commitment to achieve the ultimate objective of ensuring that all people at all times are in a position to produce or procure the basic food they need." The compact marked an important departure by the FAO from its earlier definition of world food security, with its emphasis on global food supplies and stocks, to one that focused more on the victims of food insecurity. By 1991 the FAO Council had endorsed the following:
Food security was becoming less a problem of global food supplies, overall stability and global stock levels as such, but more a problem of inadequate access to food supplies for vulnerable groups resulting from, inter alia, lack of purchasing power.11

World Food Council. The general assembly established the World Food Council as a coordinating mechanism for initiating policies pertinent to food production, nutrition, food security, food trade, food aid, and related matters. The council was to review, guide, and coordinate the conduct of food and hunger actions by multilateral agencies, national governments, and the international community as a whole and to act as a political advocate for the world’s hungry poor. By nominating ministers of agriculture as delegates, governments had in mind a council that would link agricultural development, as the primary instrument to reduce hunger, to economic and social policy and political considerations. While its mandate was to promote initiatives to reduce hunger, the council primarily discussed policies that met the interests of agricultural producers in both the industrial and developing countries, for example, how to expand markets or how to make production more profitable. Proposals centered on food aid and food stocks and on how to promote greater self-sufficiency, even at a high economic cost.

For years the council supported the need for larger, internationally agreed, nationally held stocks. This was a dubious proposition from several perspectives, particularly as the proposals never confronted the issue of mismatches in costs and benefits to participating nations. Most of the proposals implied large benefits from additional stocks for food importing nations, while the food exporting countries were to bear the costs of holding the stocks. However, an even more important weakness of these proposals was that global stocks would have done very little to alleviate hunger, because the primary causes of food shortages in low-income, drought prone countries are bad harvests within their own borders and a shortage of foreign exchange and purchasing power in the hands of many of their households. The final collapse of the discussions contributed to the erosion of the council’s credibility and prestige.

By the early 1980s, when it became clear that countries would not be able to agree to an internationally coordinated system of grain reserves, the council finally turned its attention to an initiative more closely related to the hunger issue: the poverty of nations. Following up on the writings of several economists at the World Bank and the International Food Policy Research Institute in the late 1970s, the council asked the International Monetary Fund (IMF) to establish a cereal financing facility.12

An extension of the IMF compensatory financing facility became operative with the 1981 IMF Cereal Decision, which enabled the IMF to provide assistance to members to finance temporary increases in the cost of cereal imports. Its purpose was to protect domestic food consumption levels in the face of shortfalls in domestic food production or increases in world cereal prices. As it turned out, the extended Cereal Financing Facility was not used much for various reasons, mainly its unfavorable credit terms, the extensive availability of food aid on better terms, and the inviolability of upper limits on the IMF’s country allotments.

One of the most significant World Food Council proposals was to establish national food strategies in the developing countries. The strategies were premised on the belief that regardless of the possible losses in economic efficiency, a country could eliminate hunger within its borders only by producing enough food domestically to meet its food requirements. The strategies, which the UN General Assembly endorsed in 1981, were intended to be a means “by which a country can achieve food self-sufficiency through an integrated effort to increase food production, improve consumption and eliminate hunger.”13 They were intended to link consumption needs more directly to production objectives, emphasize the integration of policies and project activities, sustain adequate priority for the food sector, facilitate national decisions related to the food sector, and increase and coordinate international assistance.

While some of the studies underlying the preparation of the strategies are valuable additions to the understanding of countries’ food systems, the central perception underlying the strategies—that hunger can be eliminated through food self-sufficiency and that importing food while exporting agricultural commodities is
bad for food security—was flawed. Fortunately, the council did not have the resources or authority to implement these strategies, but the plans embodying them made it more difficult to develop and fund plans that would have genuinely addressed hunger.

Beginning in the mid-1980s, the council attempted to redirect the focus of international initiatives from supply-oriented actions to actions that directly addressed poverty-related hunger through the Beijing, Cairo, and Cyprus initiatives.

The perception that structural adjustment and stabilization programs were having an adverse impact on poverty-focused renewed attention on the vulnerability of the food security of certain segments of the population. At one of the consultations called by the council during 1987, the participants considered a proposal to compensate 50 million of the poorest households in countries undergoing structural adjustments. Half of the package’s estimated cost of US$5 billion could have been funded with food aid (equivalent to 15 million tons of cereals). The participants further suggested that part of the cash component be obtained through partial debt forgiveness by donors and multilateral banks. While little progress was made toward implementing this proposal, it did galvanize thinking about the effects of economic adjustment and stabilization programs upon the very poor and the need to provide interim compensation to protect them from deeper poverty and greater hunger and malnutrition.

The council’s Cyprus Initiative emphasized the urgent need to protect the poor and vulnerable from the specific hardships posed by structural adjustment programs and their associated fiscal constraints. The view emerged that:

The elimination of hunger, malnutrition and poverty requires special policy attention; and that neither economic growth, important as it is, nor market forces by themselves will spread the burden of adjustment and distribute the benefits of development in the equitable way needed to protect the poor and improve their situation in the foreseeable future.14

Unfortunately, the calls for effective programs to alleviate the twin predicaments of hunger and poverty and the requests for resource transfers yielded only declarations. Agriculture ministers had neither the interest, the expertise, nor the authority to implement such actions. Proposals such as the use of vastly expanded food aid programs to provide short- and long-term assistance to the hungry, as originally proposed in the Cyprus Initiative, were rejected. Food supply considerations formed the basis for the opposition to these proposals, that is, would the food aid be harmful to exporting countries supplying commercially transacted food? Would the food aid be harmful to the producers of marketed food surpluses in recipient countries?

With its narrow focus on food supply and market issues, the council never able to become a true advocate of initiatives broad enough to encompass the problem of hunger.

**Food Aid and the World Food Programme**

The World Food Programme plays a unique role among agencies concerned with the alleviation of chronic hunger. It promotes its own brand of strategies, primarily in its role as the convener of the Committee on Food Aid, while at the same time it has command over sizable resources to implement a great variety of programs. As already noted, the WFP is the front-line agency in implementing emergency hunger relief programs and, together with UNICEF, is also supporting many programs designed to reduce malnutrition. But what has been its contribution and, more generally, what has been the contribution of food aid to the alleviation of chronic hunger?

Contrary to what might be inferred from public pronouncements, a relatively minor share (23.4 percent in 1989–90) of food aid is used in child feeding programs, income transfer, or employment programs. For the most part, food aid is used for balance of payments assistance (57 percent in 1989–90) and, to a lesser extent, for emergency relief (19 percent in 1989–90). The failure of food aid to make a more significant contribution to the alleviation of chronic hunger is disappointing for a number of reasons.

While conceived primarily as a means for surplus disposal, political support for continued food aid derives increasingly from organizations advocating the alleviation of hunger. Seen in this
context, it is disappointing that the WFP (or more precisely, the Committee on Food Aid) has not been able to provide more leadership to turn food aid into a major instrument for alleviating chronic hunger.

The low utilization of food aid for programs that directly contribute to the reduction of chronic hunger is disappointing given that development practitioners now widely accept that food aid can be, and under many circumstances should be, monetized. With monetization as a viable option, money derived from the sale of food aid could be used, for instance, for granting credit to peasants in locations and seasons in which it would have been useless, or even counterproductive, to transfer food to them. Now that food aid can be used effectively for programs specifically designed to benefit the poor, there is little justification for untargeted food aid.

*Development Agencies: IFAD and the World Bank*

The impact of development agencies, such as the World Bank and IFAD, on the alleviation of world hunger is less a consequence of what they say and more of what they do or fail to do. However, this does not mean that their influence is exclusively, or even primarily, related to the relative success of their investment projects. The World Bank, for instance, attempts to influence macroeconomic and microeconomic public policies and actions through its annual *World Development Report* and numerous economic and sector policy papers.

One of the most promising initiatives of the FAO World Food Conference in 1974 was the founding of the International Fund for Agricultural Development because it rested on an explicit understanding that hunger should be addressed by focusing financial assistance on investments that directly benefit the hungry. IFAD became operational in 1977 "to finance projects primarily for food production in the developing countries." Unfortunately, an excessive concern with the food supply during the first decade of IFAD's existence probably limited its effectiveness in terms of combating hunger.

Later, IFAD's original mandate was more broadly interpreted to encompass investments that lead to the alleviation of rural poverty. IFAD's experience taught the fund to aim at the productive potential of the poorest in their specific social and economic circumstances. It has learned, through considerable field experience, that investment for the poor is a good investment, and that it can have a larger economic as well as social impact than if deployed elsewhere.16

The World Bank's approach to hunger has evolved over the years in response to changing external conditions and institutional factors. Not surprisingly, the Bank's actions often reflect more than one approach.

In its early years, the World Bank primarily promoted policies and projects to increase the growth in national product. The assumption was that national authorities could subsequently attend to poverty and hunger according to their own political philosophies. Also, based in part on its experience with the reconstruction of war-torn European economies, the Bank initially stressed the development of the industrial sector and related infrastructure.

With the arrival of Robert McNamara in 1968, the Bank's priorities rapidly shifted into new directions. For one, McNamara, with much support from his chief economist, Hollis Chenery, promoted a quantum jump in lending. This strategy was consistent with the then popular growth models, which suggested that slow growth of developing country economies could be "fixed" by transferring more resources to close the "resources gap."

Concurrently, the Bank began to pay more attention to the agricultural sector because of industry's limited capacity to expand rapidly, the renewed flair-up of Malthusian scares about food and population growth, and the promising reports about technological breakthroughs in agriculture: the green revolution. As a result, lending to agriculture increased significantly in the Bank's portfolio, and the Bank led in the establishment and administration of the Consultative Group on International Agricultural Research, which by all accounts turned out to be one of the most successful international technical assistance ventures. The phenomenal growth in grain productivity has certainly made a major contribution to the abundance of food in markets and the observed decline in foodgrain prices during recent decades. This growth in productivity is linked to sustained investment in international and national agricultural research relevant to basic food production.
Thus the Bank, like the World Food Conference, confronted hunger with measures that promoted agricultural production to ameliorate a potential food supply shortage. Yet the imperative to expand agriculture quickly led the Bank to realize that increasing food production in developing countries is highly complex, because it requires increasing the productivity of a multitude of poor peasants.

In the early 1970s the Bank initiated its integrated rural development projects, which were primarily intended to increase the agricultural productivity of peasant farmers through the provision of improved agricultural inputs and of new extension and social services. This was consistent with the basic needs approach. To carry out these projects, the Bank commissioned numerous policy and research papers on employment, land reform, low-income housing, population and health, nutrition and education, and extension.

From the outset, it was clear that the integrated rural development projects would not directly benefit the landless or near landless, but the Bank expected them to benefit from increased demand for labor and from better access to basic social services in rural areas. The basic needs approach did not significantly alter the Bank’s conviction that projects, including integrated rural development projects, designed primarily to benefit the rural poor should meet the usual cost-benefit criteria. While this approach facilitated program implementation, it became clear, at least in hindsight, that the criteria may have restricted the flow of benefits to the poorest.

The concept of integrating multisectoral public services under the umbrella of a single rural development project turned out to be organizationally unworkable. The activities intended to enhance human capital were frequently foregone when line ministries of education, health, and so on were reluctant to be “integrated” into predominately agricultural projects. Hence, the contribution of integrated rural development to the alleviation of hunger, even in rural areas, remained at best modest.

Another reason for the early demise of rural development projects was the growing realization that development generally was not well served by a complex, centralized planning approach that relied for its implementation on a smoothly functioning bureaucracy and large public investments. This skepticism, which coincided with worsening economic conditions in the industrial countries and hence reduced growth in the Bank’s resources, sharply decreased further funding for integrated agricultural projects.

In the 1980s development theories tended to advocate greater reliance on market forces and less on planning and government interventions. As for agriculture, development experts recognized that reducing the implicit and explicit taxation on the sector practiced in many countries could be far more beneficial to the sector than large public investments. Bolstered by the success stories of a few small countries in East Asia, the decade opened with renewed optimism about the potential for rapid growth that would sweep away poverty and food shortages.

Some in the Bank were less optimistic about the rapid transformation of countries into well-functioning market economies and the unfolding of unprecedented, high growth rates. In addition, there was evidence that economic growth trickles down so slowly that even under the most optimistic assumptions of growth in national income and food production, poverty and hunger would not be swept away for a long time. These concerns, reflected in a 1986 Bank policy paper, that neither increased national economic growth nor ample food supplies at the global or national levels would eliminate poverty, were not new. As early as 1956, an economist with the FAO wrote in a paper discussing food stocks: “Malnutrition is a chronic problem. The main cause of undernutrition and malnutrition is poverty, lack of consumers’ purchasing power.”

Amartya Sen captured most eloquently the dichotomy between the same emerging perspectives and those perceptions to which many international organizations continued to adhere: “The relentless persistence of famines and the enormous reach of world hunger, despite a steady and substantial increase in food availability, makes it imperative for us to reorient our approach away from food availability and towards the ability to command food.”

Reutlinger and Selowsky had also previously drawn attention to the relationship between malnutrition and poverty in preparing quantitative estimates of the extent of hunger: “That undernutrition is a function of absolute poverty is self-evident. But estimates of the global magnitude of
calorie deficiency in the developing countries have usually been made by reference to highly aggregated per capita data. 22

In its policy paper on poverty and hunger, not only did the Bank demonstrate unequivocally the relationship between hunger and the lack of adequate purchasing power, but it also asserted emphatically that the long-held belief that increased domestic production would lead to greater food security had to be discarded and replaced by policies that addressed the plight of the poor. The document states:

Although far too many people eat too little, the energy deficit in their diets represents only a small portion of the food energy consumed in most countries. Increasing the food supply would not eliminate this problem, since it would not necessarily improve the incomes and the purchasing power of the poor. This is why international support should focus on policies and investments that would improve the distribution of benefits by raising the real income of people facing chronic food insecurity and stabilizing access to food for people facing transitory food insecurity. 23

The document concludes that the lack of food security is a lack of purchasing power that is not necessarily eliminated with food self-sufficiency. In the long run chronic food insecurity is eliminated through economic growth, and in the short run through measures to redistribute purchasing power to those who are undernourished. The document stresses that searching out only the most cost-effective measures for implementation is essential.

Consistent with the view expressed in the policy paper on poverty and hunger, the World Bank's World Development Report 1990 and Poverty Reduction Handbook emphasized the need to maintain macroeconomic policies that placed a high priority on creating employment, introducing measures to increase the participation of the poor in growth and to reach resource-poor areas, delivering social services to the poor, and providing special income transfers and safety nets. 24

The Bank's present lending portfolio and economic and sector work are beginning to reflect these perceptions.

The Bank's focus on Africa in the late 1980s confronted it with the hunger problem particularly forcefully. Here was a continent in which population growth exceeded the growth in food production without compensating growth in the purchasing power of people and nations. For a while some of the food deficit was made up by food aid, but it became clear to all that the growing dependency of countries for their physical survival needed to be addressed with urgency.

The Bank's prognosis and prescriptions, written up in a special report, The Challenge of Hunger in Africa: A Call to Action, were discussed prior to and during publication in several ad hoc international meetings hosted by the Dutch government. The recommendations for specific actions included the following:

- Preparing specific action programs to promote food security in each Sub-Saharan country
- Giving priority to projects and policies that raise the incomes of the food insecure and dampen the fluctuations in food prices and supplies
- Strengthening the institutional capabilities of African governments to manage food security programs
- Increasing the effectiveness of food aid, including improving preparation and coordination of responses to emergency food situations
- Making more systematic efforts to identify the people at high risk of food insecurity 25

The Bank is now putting these recommendations into practice, but with far fewer resources than are required. A particularly noteworthy feature of this initiative was the active dialogue between the Bank, other international organizations and government-to-government aid programs, and NGOs. The positive outcome was to demonstrate that such meetings, held in an informal atmosphere, can establish a useful encounter between people working on hunger in widely different institutional settings.

Implementation of the envisioned active collaboration among the many agencies concerned with hunger in Africa fell short of expectations. The lesson might be that expecting too much collaboration is unrealistic. Work on hunger ties in with a host of other agendas that are quite different for each organization. It is perhaps natural that each organization should pursue, and be seen to pursue, those strategies that appeal to their own particular constituencies.
Nongovernmental Organizations

Apart from their invaluable role in international feeding programs (involving approximately US$2.5 billion of food annually), the NGOs, because of their on-the-ground presence and first-hand knowledge of the needs and the interests of the poor, have been extremely important in keeping the focus of development on the hungry. NGOs demonstrate a variety of approaches to addressing hunger and poverty. The administration of food aid programs, including food-for-work and nutrition programs, continues to be the primary commitment of some of the largest NGOs, such as CARE and Catholic Relief Services. Others provide services for developing small and micro enterprises. Inspired by the Grameen Bank of Bangladesh, small-scale credit programs have become popular among NGOs and their donors. Still others are heavily involved in advocacy and education, and are directing their attention more toward policy and macro-economic issues.

In addition to channeling sizable voluntary contributions (about US$2 billion each year), the NGOs' advocacy work has been important in increasing foreign assistance flows to the poorest of the poor. The NGOs have learned from field experience that food relief is not the answer to chronic food insecurity. As a consequence, Bread for the World and other NGOs have become champions of assistance targeted directly to the poor. Their strong advocacy of peasant agriculture has at times obscured their appreciation of the role that domestic and international markets could play in efficiently providing and stabilizing food supplies. Today awareness is growing that national food self-sufficiency may not, in all cases, be a reasonable goal.

Major Conferences of the 1990s

Recent conferences, including the UNICEF Children’s Summit (1990), the Rio Conference on Environment and Development (1992), and the International Conference on Nutrition (1992), all addressed hunger and endorsed recommendations and targets for its elimination or reduction. The UNICEF summit introduced new concepts to the dialogue on hunger that included (a) providing services to the very poor, (b) building capacity, and (c) empowering the poor. In particular, the summit recommended disseminating knowledge and support services to increase food production so as to ensure household food security.

The World Declaration on Nutrition, adopted by 159 participating countries at the FAO/WHO International Conference on Nutrition in December 1992, stated that “there is enough food for all and that inequitable access is the main cause of hunger and malnutrition. . . . Poverty and the lack of education, which are often the effects of underdevelopment, are the primary causes of hunger and malnutrition.”

In the opening address of the conference, the secretary-general of the United Nations judged food and nutritional security to be the most crucial issues for world peace and security. He placed nutrition in the forefront of national strategies that put human beings as individuals at the center of the development process. The UN’s role would be to mobilize international awareness and concern and contribute to technical efforts.

The UN Conference on Environment and Development, held in Rio de Janeiro in 1992, highlighted the international concern for sustainable development and environmentally sound management of natural resources. According to “Agenda 21,” which sets out the aims of the conference, sustainable agriculture, characterized by political will; proper economic analysis of environmental impacts; appropriate incentives, such as prices, share rights, and effective participation; institutional flexibility; and complementary infrastructure, such as transport, storage, credit, and research, are needed to address world hunger.

Chapter 14 of the agenda, which concerns food security, states that increases in food production improve food security only if they are sustainable. Policies to foster sustainable agricultural growth should include provisions that avoid fragmentation of landholdings; develop and transfer appropriate technologies; and improve harvesting, storage, processing, distribution, and marketing. Voicing a concern frequently raised by the NGOs, the agenda called for strengthening rural organizations to decentralize decisionmaking. Chapter 32 maintains that a farmer-centered approach is key to attaining sustainable agriculture in the developing and industrial countries.
Concluding Remarks

Starvation from natural disasters has virtually disappeared from the face of the earth, although in some countries people still die from hunger because of the actions of ruthless governments. International awareness and efforts have been responsible for the progress made in eliminating outright starvation. Advances in transportation, communications, and mass media have facilitated international responses to famine.

Modern medicine and the effective, hard work of a dedicated cadre of international civil servants and other professionals have made some progress in reducing the prevalence of malnutrition caused by micronutrient insufficiencies, lack of awareness about nutrition, and poor public services and social infrastructure.

However, not enough has been accomplished to reduce undernutrition or chronic hunger. This is not because of a lack of growth in national products or food production. In most countries these have grown at the same or higher rates than population, in themselves laudable accomplishments. Chronic hunger persists for two reasons. Some would place all the blame on lack of political will. Measures to overcome poverty do fail in part because of the inherent resistance to dismantling and rearranging the prevailing legal and economic power structures within a country. But we believe that another important reason for the failure has been the dearth of workable and cost-effective ways to reach the poor. Many of the past hunger initiatives failed to confront the problems poor people face with practical and realistic solutions.

Consensus is growing that poverty is hunger's root cause and that governments need to deliver social services to the poor, not only to improve their present living conditions, but also to empower them to shed their poverty. However, there is much less agreement on the appropriate mix of resources—food, water, land, credit, improved technology, training, markets, and so on—and on how to transfer these resources to enable the poor to augment their ability to acquire or grow the food they need.

The challenge for the international community is to learn new ways of providing assistance, consonant with the decentralization process many countries are undergoing, directly to the very poor. International assistance should be sufficient to combat chronic hunger effectively without waiting for economic development to eradicate poverty.

Notes

5. Berg, Malnutrition.
9. Conference Report Resolution XVIII. For most of the decade, the 10-million-ton goal was not achieved, but since 1984 food aid has exceeded the target, reaching nearly 12 million tons in 1992. However, under the Food Aid Convention, donors remained committed to 7.6 million tons.
15. Resolution XIII of the conference report.
Addressing Hunger: A Historical Perspective of International Initiatives


23. World Bank, Poverty and Hunger, 17.


Selected Bibliography


———. 1978. Interim Report on the Assessment of Food Aid Requirements Including the Question of Food Aid Targets. WFP/CFA: 5.5-B. Rome.
Appendix 3

Lessons of Experience:
Twelve Case Studies
Appendix 3

Contents

Indonesia: Economic Growth, Equity, and Hunger  166
El Salvador: Village Banking  167
West Africa: Credit with Education for Women  169
Pakistan: The Aga Khan Rural Support Program and the Empowerment of Rural Women  171
Indonesia: Rural Credit for Marginal Farmers and the Landless  174
India: Maharashtra Employment Guarantee Scheme  177
Tunisia: From Universal Food Subsidies to a Self-Targeted Program  181
Honduras: Food Coupons  184
Chile: Targeting and Decentralizing Health and Nutrition Programs  186
Zimbabwe: From Relief Feeding to Food Production  190
India: Tamil Nadu Integrated Nutrition Project  193
Niger: Komadougou Small-Scale Irrigation Project  198
Introduction

The twelve case studies presented in this paper represent only a few of the broad range of public policy interventions available to governments and other actors that could effectively reduce poverty and hunger. Some obvious interventions are not represented here, such as those addressing food insecurity. Many different types of interventions are available to reduce the burden of hunger and poverty; the choice depends on country and regional conditions. The success of the examples cited here illustrates the enormous scope for expanding the use of such interventions globally, particularly employment guarantee schemes, credit and microenterprise programs, nutrition programs for women and children, and food subsidy and food coupon schemes targeted at the poor.

Despite the diversity of the examples selected, all the case studies illustrate several basic conditions for success, namely:

- Political awareness and a willingness to commit resources
- Multisectoral collaboration from the ministerial to the district level
- Community participation and ownership of the program.

Obviously, in some areas and some countries these elements play a stronger role than in others.

Four important features of successful interventions emerge from these case studies:

- **Targeting.** The Tunisian food subsidy program and the Maharashtra employment guarantee scheme both underscore the merits of self-targeting mechanisms. In the former, targeting has been achieved by directing subsidies at "inferior goods" that are bought disproportionately by the poor. In the latter, self-targeting occurs because of the manual nature of the work and the low wage rates. In both cases the interventions are designed as a safety net for the very poor. The Honduras food coupon program illustrates how geographical and anthropometric criteria can be used for targeting. In this case, in schools with an incidence of malnutrition of more than 60 percent all mothers automatically receive food coupons.

- **Focusing on women.** Today development practitioners increasingly accept that in many respects women are the most important actors in improving the health and nutrition of their children, and thus that investments in education, health, and nutrition for women have a strong multiplier effect. Virtually all the case studies show that programs directed at women work effectively, and that women are central players in reducing hunger and poverty. Moreover, far more women than men are below the poverty line. In the rural areas of South Africa, for example, 80 percent of the population live below the poverty line, and of those, 80 percent are women. For this reason, many of the credit and microenterprise schemes focus on providing credit to women, for example, Freedom from Hunger's credit with education scheme, the Foundation for International Community Assistance village banking program, and the Aga Khan Rural Support Program. High repayment rates, successful development of microenterprises, increases in income and savings, and the social empowerment of women characterize all these projects. Programs do not have to be exclusively focused on women for them to participate fully, as illustrated by the Maharashtra employment guarantee scheme, where between a third and half of the participants are women.

- **Achieving sustainability.** A major objective of all programs to assist the hungry must be to promote sustainable improvements in income-earning capacity so that poor communities can become more self-reliant. In many communities the key to this is providing people with small loans to purchase productive assets and support microenterprises. A remarkable expansion of village banking is occurring across the developing world, in part inspired by the remarkable achievements of the Grameen Bank in Bangladesh, whose methods are now being replicated elsewhere. This paper cites several other examples. These credit programs show that poor communities can successfully use and repay loans at market rates of credit. Programs can be low-cost and sustainable if they build pragmatically on existing community structures, as illustrated by the International Fund for Agricultural Develop-
ment’s income-generating project for marginal farmers and the landless in Indonesia. A common element is the reliance on the solidarity of small groups, which ensures a high repayment rate. As the Freedom from Hunger credit programs show, village banking can go well beyond the provision of credit to encompass and facilitate a range of public education and community development activities that are mutually reinforcing.

- Doing better with what one has. The case studies illustrating targeted health and nutrition interventions underscore the considerable possibilities for improving families’ nutritional status at existing levels of household income or food consumption. This is achieved primarily by reducing the burden of infection, improving feeding and care patterns for infants and young children, and enhancing basic knowledge about nutrition.

The purpose of this paper is merely to be indicative. There is a wealth of experience to draw on. Although few programs have been as rigorously evaluated to determine their cost-effectiveness as decisionmakers might wish, enough has been done to show the way. We hope that the case studies will be an inspiration for new initiatives, but we should remember that the success of any scheme depends largely on adapting a promising design concept to specific local social, political, and cultural circumstances. Experimentation and structured learning from pilot schemes, accompanied by rigorous evaluation and effective dissemination of the findings, must be encouraged.

Indonesia: Economic Growth, Equity, and Hunger

Indonesia’s remarkable success in reducing the incidence of hunger and poverty during the past fifteen years stems from policy objectives to ensure that the population at large shared the gains of rapid economic growth.1

The Strategy

Between 1976 and 1990, the number of Indonesians in poverty—defined as those unable to purchase about 2,100 calories per day and a minimum amount of essential nonfood goods—fell sharply from 54 million (roughly 40 percent of the population) to 27 million, just over 15 percent of the population. These figures reflect success in reducing poverty in both rural and urban areas. The percentage of poor people in rural areas fell from more than 40 percent in 1976 to roughly 14 percent in 1990, and in urban areas from just under 40 percent to about 17 percent. Moreover, since 1978 severe malnutrition among preschool children has fallen substantially.

Development practitioners generally agree that Indonesia’s success in reducing hunger and poverty is rooted in the following:

- Policies that have fostered rapid economic growth. During the oil boom of the early 1970s the economy grew at an annual rate of more than 11 percent, but growth dropped to roughly 5 percent per year between 1982 and 1987 because of oil shocks and global economic crises. Since the introduction of structural reforms in the late 1980s the economy has grown at an average rate of 7.5 percent per year. Consequently, per capita income has increased more than tenfold during the past two decades, from US$50 per year in 1967 to US$570 per year in 1990.

- The high priority given to increasing agricultural and food output. Not only has agriculture been a prime contributor to the economy’s growth—agricultural output grew at an average annual rate of 5.7 percent between 1969 and 1990—but Indonesia’s success in keeping food output ahead of the population growth rate of 2.1 percent means that today Indonesia boasts the highest daily calorie supply—2,675 calories per capita per day—of all low-income countries. Yet until the late 1970s Indonesia was the world’s largest rice importer, spending a quarter of its foreign exchange revenues on rice imports. Rice self-sufficiency was one of the primary goals of the country’s economic development plan, and this was successfully achieved in 1985, when rice imports fell from 2 million tons to only a few thousand tons.

- “Pro-poor” policies, such as the heavy subsidies placed on rice for consumers. The government held rice prices constant in real terms for about twelve years, from 1974 to 1986. As a result, with rising incomes rice consumption per person increased by about 30 percent, from 100 kilograms per person per year in the late 1960s to around 145 kilograms in the late 1980s.
This mix of policies has been effective in sharply reducing the number of hungry and poor. Today hunger is concentrated in particularly vulnerable households. Chief among these are households that rely on seasonal wage labor and suffer from shortfalls during the slack period, and poor households that are especially susceptible to hunger during periods of drought or other factors that lead to low agricultural output.

Despite the large gains made in raising incomes and reducing hunger, however, infant mortality rates remain high and childhood malnutrition is still widespread. This reflects the persistent burden of diarrheal diseases, acute respiratory infections, malaria, micronutrient deficiencies, and suboptimal breastfeeding and weaning practices. Vitamin A deficiency has been eliminated as a public health problem in all but two of the fifteen provinces, but iron and iodine deficiencies remain widespread. The country’s infant mortality rate of 64 deaths per 1,000 live births is well above that of other Association of Southeast Asian Nations countries and of such low-income countries as China and Sri Lanka.

**Lessons Learned**

Indonesia’s development policies combining growth, increased food availability, and poverty reduction have been central to the substantial reduction in severe malnutrition. However, continuing high rates of moderate and mild malnutrition, both of which have serious developmental implications for young children, and the persistence of micronutrient deficiencies, indicate that economic growth is necessary, but not necessarily sufficient by itself to eliminate malnutrition as a hindrance to development.

Despite its remarkable achievements in recent years, Indonesia still faces huge challenges: it is a low-income country, living conditions need to be improved for the 15 percent of the population that lives below the nationally-defined poverty line, pockets of hunger persist in some regions, and large public investments are needed to improve health and nutrition standards.

**El Salvador: Village Banking**

In El Salvador, the Foundation for International Community Assistance (FINCA) has been developing an extensive network of village banks since 1991. The program has evolved into the largest credit program for the poor in Central America. The village banking network provides small loans to self-employed borrowers, 95 percent of whom are women.

**Background**

The peace process in El Salvador has only just begun after nearly twelve years of civil war. While large portions of the population are excluded from full participation in the national economy, the country cannot aspire to lasting peace. Today, tens of thousands of Salvadoran families remain trapped in severe poverty with their children threatened by malnutrition and disease. In the aftermath of the civil war, FINCA has sought to build a national credit program that could contribute to the reconstruction of the country.

FINCA is a network of nongovernmental organizations (NGOs) that operate village banking programs in Latin America and Africa. In April 1994 the FINCA network comprised 2,058 village banks worldwide. These banks, which are entirely managed by the borrowers, process more than 2.2 million loan payments a year at an average repayment rate of 97 percent.

In El Salvador, FINCA’s Centro de Apoyo a la Microempresa (CAM) began its village banking operations in June 1991 with a seven-year grant from the U.S. Agency for International Development. The objective of the village banking program is to provide extremely poor families with self-employment loans ranging from US$50 to US$300. CAM, which is an affiliate of FINCA International, was created as an independent NGO whose board of directors comprises representatives from El Salvador’s private sector and local NGOs.

**Operations**

By April 1994, after less than three years of operations, CAM was operating 975 village banks serving 29,550 families, or more than 150,000 people. The program has encountered a seemingly limitless demand for village banking services among poor communities. CAM now offers village banking services in all 14 geographic departments, including 45 of 109 municipalities within...
the former war zone. It is currently expanding its coverage at a monthly rate of 48 new village banks, or 1,250 borrowers. El Salvador has an estimated 600,000 extremely poor people, and by 1998 CAM aims to provide services to more than 90 percent of them.

In April 1994, CAM's village banking portfolio totaled US$2.7 million, with an average loan size of US$90. The repayment rate was 99.4 percent. Borrowers are charged interest and training fees at a flat monthly rate of 3 percent of the loan. Savings deposits in the village banks amounted to US$1,140,917. At the close of the first quarter of 1994, CAM was operating at 102 percent self-sufficiency.

Program Design

The borrowers' participation in managing the credit system is one of the most important features of FINCA's village bank model. Village banks, whose membership ranges from twenty to fifty individuals, function as autonomous informal credit associations that manage all loan transactions. A democratically appointed management committee governs each village bank. At the outset, the membership determines the by-laws for the operation of the bank using guidelines provided by FINCA. The bank's members meet weekly to conduct loan transactions, discuss business matters, and give each other moral support. FINCA "promoters" or extension workers visit weekly to provide training to both the management committee and the borrowers and to oversee operations.

Village banks have two sources of capital. The first source is from outside the community. Local FINCA intermediary institutions extend group loans to the village banks in four-month loan cycles. Borrowers make weekly installment payments that are collected at village bank meetings. The installments are calculated as a quota or lump sum that comprises payment on loan principal and interest and a savings deposit. In the case of CAM, the first group loan is equivalent to US$50 multiplied by the number of borrowers. In subsequent loan cycles CAM increases the line of credit to the bank in direct proportion to the accumulated savings deposits.

A village bank's second source of capital is community savings. The membership determines how it will use the savings deposits. Most village banks decide to keep an emergency reserve and on-lend the balance of their savings to bank members. This practice allows community net savers to finance net borrowers at interest rates that the membership sets. These rates are generally higher than those FINCA charges. Savers thus realize a substantial dividend on their deposits.

CAM's delivery system is organized as follows. Each CAM promoter typically services ten village banks. Promoters work as members of a field office team. The team services from 60 to 240 banks. Regional bank offices, of which four now operate in El Salvador, supervise the field offices. The central office in San Salvador is charged with overseeing management, training, and administering the flow of funds through the system. CAM collects cost and revenue data at each organizational level.

Impact

According to CAM sample surveys, most borrowers are single mothers, many of whom lost their husbands in the civil war. A borrower typically supports four or five dependents and has less than three years of education. Most borrowers live in a one-room dwelling without electricity. Water is usually head-carried for distances of up to a kilometer. At the outset of the project, the family income of most participants was less than US$2.33 a day.

According to a recent external evaluation survey of 386 borrowers conducted by the U.S. Agency for International Development, the average increase in sales and income was 160 percent and 145 percent, respectively, among borrowers who had participated in the program for more than one year. More than 70 percent of surveyed borrowers reported that they had increased their purchases of medicines and food since joining the program, and 60 percent reported that they were making significant contributions to family decisionmaking.

In the words of Franciscan Rajas, one borrower: "When you have been as poor as I have been, there is a lot of shame. Even when I was a child, people wouldn't look at me. I guess they were afraid I would ask them for something. I feel safer now. I sleep calmly at night because I am not
Lessons Learned

Some of the key issues that FINCA faces in developing CAM and other village banking programs can be summarized according to the different organizational levels of its program.

Borrowers. Impact evaluation data show that average village bank borrowers substantially increased their income and empowerment from participation in the program. FINCA programs need, however, to analyze better how borrowers can continue to grow. The issue of integrating nonfinancial services such as marketing and production assistance needs more scrutiny as the number of borrowers expands and borrowers increase the level of sophistication of their businesses.

Village banks. There are areas where the bank operation model can be improved. Techniques for helping members manage their savings need to be constantly reviewed and refined. The evolution of the banks as they mature after several years of operations needs to be more clearly defined so that they can adapt their services to the changing needs of their membership.

Intermediary organizations. The most important challenge FINCA intermediary organizations such as CAM face is balancing their need to provide quality service with their need to expand. CAM experienced the most rapid expansion of services in the history of microenterprise institutions in Latin America. Such an expansion places extraordinary pressure on internal management and financial control systems. The growth in CAM’s portfolio has sometimes outpaced its development of such systems. CAM’s management has now learned to strike the right balance between expanding its services and introducing adequate systems to support the expansion.

Also, as FINCA intermediary organizations expand, they need to identify new sources of capital at a time when bilateral foreign assistance is decreasing. For this reason, FINCA intermediaries are increasingly accessing loan capital from commercial banks and international financial institutions. FINCA intermediaries need to develop new systems and skills to manage lines of credit from such sources.

West Africa: Credit with Education for Women

Freedom from Hunger’s review of formal research studies and program experience shows that a combination of financial resources and nutrition and health education provided to very poor women has the most direct impact on chronic hunger and malnutrition among women and children. Credit with Education is a program strategy designed to provide integrated financial and educational services to bolster the self-help capabilities of women in very poor rural areas. Because of the high levels of food insecurity and malnutrition, most programs supported by Freedom from Hunger are in West Africa.

Program Design

Credit with Education uses a village banking approach, which is a decentralized version of poverty lending well suited to reaching dispersed communities in rural areas. Credit is provided to self-managed credit associations of approximately thirty women as a four-month group loan that can be rolled over and increased in proportion to members’ savings. The women take out individual loans to carry out income-generating activities of their choice to increase their personal and family incomes and savings. Weekly meetings of these credit associations provide a forum to address credit association management, basic microenterprise development problems, and hunger-related issues. Learning sessions on health and nutrition address five important issues: (a) birth spacing, (b) breastfeeding, (c) infant and child nutrition, (d) management and prevention of diarrhea, and (e) immunizations. Baseline surveys, focus group studies, and the nonformal problem solving techniques used during the weekly learning sessions draw attention to specific barriers to change. Field staff provide credit association members with information and counseling as they facilitate problem solving.

Impact

In early 1989 Mali became the first field program site in which the Credit with Education strategy was introduced. In the last four years, the program
Appendix 3

has lent approximately US$300,000 to poor village women living in two arrondissements southeast of Bamako, the capital city. In 1991 the program's 99.9 percent loan recovery rate and clientele of more than 1,000 poor rural women convinced the Banque Nationale de Développement Agricole to provide loan capital to the program at a concessionary interest rate of 6 percent without requiring a reserve fund. As of June 1993, 1,762 members were organized in 65 credit associations with an outstanding loan portfolio of US$51,413 and an average loan size of US$34. The small average loan size reflects the extremely low per capita incomes of the households reached by this program.

Nutritional assessments in the Mali program area indicated a widespread tendency for late introduction of weaning foods and high levels of malnutrition among weaning-age children. For this reason, the nonformal health and nutrition learning sessions facilitated at credit association meetings have stressed good infant and child feeding practices, particularly during weaning.

Evaluations of the Mali program have demonstrated a positive impact on the participants' quality of life. Figure 1 provides summary results from a survey conducted in conjunction with an independent evaluation that highlight the program's diverse benefits. Credit Association members indicated that their incomes and savings had increased, that they had learned about the appropriate timing of weaning, and that they were empowered and enjoyed greater bargaining power in their families. Eighty-five percent of the members felt that the health and nutrition of their preschool children had improved.

A Credit with Education program that started in Honduras in 1990 produced similar results. Other Freedom from Hunger Credit with Education programs are operating in Bolivia (1990), Burkina Faso (1993), Ghana (1992), and Thailand (1989).

Figure 2 presents survey results using a larger sample conducted by Freedom from Hunger in the Credit with Education program in Thailand. Credit association members demonstrated superior knowledge and adoption of steps to prevent and manage diarrheal episodes. Program participation also seemed to provide some protection during a recent drought, because credit association members were less likely to report a deterioration in their families' diets, and per person weekly food expenditures were greater in members' families than in nonmembers' families despite their comparable socioeconomic status.

In 1993 Freedom from Hunger and the Credit Union Network of Burkina Faso started to repli-

Figure 1. Results from the Mali evaluation

<table>
<thead>
<tr>
<th></th>
<th>Nonmembers (n=15)</th>
<th>Credit association members (n=50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felt that the health and nutrition of their preschool children had improved</td>
<td>40%</td>
<td>85%</td>
</tr>
<tr>
<td>Knew the proper age for introducing solid food to an infant</td>
<td>20%</td>
<td>65%</td>
</tr>
<tr>
<td>Felt that their families listened to them more (one sign of increased personal empowerment)</td>
<td>19%</td>
<td>60%</td>
</tr>
<tr>
<td>Reported more savings (which can be used to measure adequate food supplies during the hungry season)</td>
<td>27%</td>
<td>90%</td>
</tr>
<tr>
<td>Reported increased income in the past year</td>
<td>27%</td>
<td>85%</td>
</tr>
</tbody>
</table>

Source: Lassen and McNelly, Freedom from Hunger's New Credit-Led Approach to Allaying Hunger.

Figure 2. Results from the Thailand survey

<table>
<thead>
<tr>
<th></th>
<th>Nonmembers (n=60)</th>
<th>Credit association members (n=68)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Give oral rehydration salts to children with diarrhea</td>
<td>50%</td>
<td>91%</td>
</tr>
<tr>
<td>Knew what could be done to prevent diarrhea</td>
<td>20%</td>
<td>97%</td>
</tr>
<tr>
<td>Gave the first antibody-rich breastmilk (colostrum) to their newborns</td>
<td>63%</td>
<td>96%</td>
</tr>
<tr>
<td>Diet did not deteriorate after a widespread drought</td>
<td>68%</td>
<td>92%</td>
</tr>
<tr>
<td>Average family expenditure on food per family member during the previous week</td>
<td>US$1.50</td>
<td>US$2.00</td>
</tr>
</tbody>
</table>

Source: McNelly and Waterlow, Impact Evaluation of Freedom from Hunger's Credit with Education Program in Thailand.
icate and extend the model developed in Mali. Credit with Education is being added to the services provided by existing financial institutions (credit unions) to achieve quick, cost-effective implementation as well as a network for rapid expansion. Figure 3 shows the organizational structure of the programs in Burkina Faso and Mali for comparison. Note that existing financial institutions (not guaranteed by Freedom from Hunger) are the sources of credit for all Credit with Education programs currently operating in West Africa.

Lessons Learned

Freedom from Hunger is demonstrating that Credit with Education can be scaled up to a high performance level, creating an increasingly self-financing mechanism that cost-effectively serves growing numbers of people. Credit with Education is designed to cover expenses with revenues from the interest and fees collected. Table 1 shows the projected expenses and revenues for a single credit union (caisse populaire) in the Credit Union Network in Burkina Faso and the regional office that supports a cluster of credit unions.

Financial self-sufficiency can be achieved using realistic growth scenarios for the number of credit associations and borrowers, the volume of loans, the service fees collected, and the costs of operating the program. Projections indicate that each participating credit association will become self-financing within four years and that each regional office will cover its costs within six years. Similar projections for the Mali program show a much slower approach to self-financing, reflecting the difference between working with an NGO focused solely on delivering Credit with Education versus a financial institution that adds Credit with Education to its services.

The self-financing feature of the Burkina Faso program allows the Credit Union Network (and its funding partners) to start up Credit with Education in many credit unions around the country without accumulating a massive fiscal burden. By becoming financially self-sufficient, each field unit relieves the regional office and the central office of the responsibility for endless funding of recurrent costs.

Pakistan: The Aga Khan Rural Support Program and the Empowerment of Rural Women

The mountainous northern regions of Pakistan, populated by about 1 million people, are climatically extreme, ecologically fragile, and scarce in natural resources. The population is of mixed ethnic and religious origin and speaks a variety of languages, ranging from Wakhi, an archaic Iranian dialect, to Balti, a Tibetan dialect. The people of the region are farmers who depend on glacial melt to irrigate their small fields carved out of the mountainsides. Until the 1970s the region was ruled by small, princely states that survived largely by levying taxes on the farmers or on caravans traveling the Silk Route.
Background

In 1982, a time when the old social order was in disarray, the Aga Khan Rural Support Program (AKRSP) was established in northern Pakistan. The AKRSP’s objective was to fill the institutional vacuum created by the dissolution of dozens of tiny states by mobilizing rural populations into village-level organizations. These have since been instrumental in helping communities plan their own development. Today the AKRSP has almost 3,000 village and women’s organizations in its program area, covering a population of more than 90,000.

For the women of northern Pakistan, the AKRSP has changed their lives significantly. The women of the region have a difficult life, bearing up to 10 children, often working harder than the men both on and off the farm, and with only 3 out of every 100 being able to read and write. Women’s lives revolve either around the household or the village. Cultural constraints prevent women from being able to sell produce in the region’s few markets or from owning property. Consequently, they have little power in making decisions pertaining to land use and financial resources.

The AKRSP’s aim is not only to help women increase their agricultural and related production, but, perhaps more important, to enable them to realize their strengths and capacities by participating in women’s organizations. Members of the 600 women’s organizations feel that the AKRSP’s most significant contribution has been the savings program initiated for women. Having their own money has increased their status, and has led to increased personal pride and power.

Village women form women’s organizations to save money and to learn skills from the AKRSP in agriculture and related fields. The program’s provision of agricultural and livestock inputs has led to improvements in women’s nutritional status as well as in their incomes. In northern Pakistan women’s diets depend not only on the seasonal availability of food, but also on cultural practices prevalent in the region. Although women are responsible for all activities related to food, they are also the last to eat meals, having served the children and men first. Food taboos for women are common. Women are often anemic because of frequent child bearing, and a large percentage of women consume less that 70 percent of the recommended daily nutrition requirement. The opening up of the region to the rest of the country through the Karakoram Highway and the resultant expansion of local markets has also meant that farmers place more emphasis on selling produce than on producing the food necessary.

Table 1. Burkina Faso Credit with Education program, financial summary and six-year projections at two organizational levels, fiscal 1994–99

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cause Populaires</td>
<td>10</td>
<td>25</td>
<td>40</td>
<td>55</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Total borrowers</td>
<td>300</td>
<td>750</td>
<td>1,200</td>
<td>1,650</td>
<td>2,100</td>
<td>2,100</td>
</tr>
<tr>
<td>Loans made each year</td>
<td>16,092</td>
<td>90,767</td>
<td>180,391</td>
<td>299,680</td>
<td>458,451</td>
<td>624,060</td>
</tr>
<tr>
<td>Loans outstanding, end of year</td>
<td>12,372</td>
<td>36,988</td>
<td>69,750</td>
<td>113,357</td>
<td>171,397</td>
<td>228,130</td>
</tr>
<tr>
<td>Interest income</td>
<td>372</td>
<td>6,616</td>
<td>14,763</td>
<td>25,609</td>
<td>40,041</td>
<td>56,733</td>
</tr>
<tr>
<td>Total costs</td>
<td>6,020</td>
<td>14,772</td>
<td>21,178</td>
<td>25,025</td>
<td>26,538</td>
<td>29,191</td>
</tr>
<tr>
<td>Net surplus (deficit)</td>
<td>(5,648)</td>
<td>(8,156)</td>
<td>(6,415)</td>
<td>(584)</td>
<td>13,503</td>
<td>27,542</td>
</tr>
<tr>
<td>Expenses covered by income</td>
<td>0.06</td>
<td>0.45</td>
<td>0.70</td>
<td>1.02</td>
<td>1.51</td>
<td>1.94</td>
</tr>
<tr>
<td>Cost per dollar lent</td>
<td>0.37</td>
<td>0.16</td>
<td>0.12</td>
<td>0.08</td>
<td>0.06</td>
<td>0.05</td>
</tr>
<tr>
<td>Region</td>
<td>3</td>
<td>6</td>
<td>12</td>
<td>18</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Total causes populaires</td>
<td>30</td>
<td>105</td>
<td>255</td>
<td>495</td>
<td>825</td>
<td>1,140</td>
</tr>
<tr>
<td>Total borrowers</td>
<td>900</td>
<td>3,150</td>
<td>7,650</td>
<td>14,850</td>
<td>24,750</td>
<td>34,200</td>
</tr>
<tr>
<td>Loans made each year</td>
<td>48,276</td>
<td>320,577</td>
<td>910,026</td>
<td>2,081,367</td>
<td>3,997,893</td>
<td>6,672,561</td>
</tr>
<tr>
<td>Loans outstanding, end of year</td>
<td>37,116</td>
<td>148,110</td>
<td>394,506</td>
<td>845,601</td>
<td>1,569,102</td>
<td>2,519,391</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,116</td>
<td>20,964</td>
<td>66,369</td>
<td>163,044</td>
<td>327,456</td>
<td>572,250</td>
</tr>
<tr>
<td>Total costs</td>
<td>18,060</td>
<td>62,376</td>
<td>181,905</td>
<td>288,189</td>
<td>431,840</td>
<td>560,901</td>
</tr>
<tr>
<td>Net surplus deficit</td>
<td>(16,994)</td>
<td>(41,412)</td>
<td>(115,536)</td>
<td>(125,145)</td>
<td>(104,364)</td>
<td>11,349</td>
</tr>
<tr>
<td>Expenses covered by income</td>
<td>0.06</td>
<td>0.34</td>
<td>0.36</td>
<td>0.57</td>
<td>0.76</td>
<td>1.02</td>
</tr>
<tr>
<td>Cost per dollar lent</td>
<td>0.37</td>
<td>0.19</td>
<td>0.20</td>
<td>0.14</td>
<td>0.11</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Source: Freedom from Hunger data.
for a balanced diet. This reflects both women's lack of knowledge about nutrition and the pressure they face in meeting household requirements through their incomes.

Two major activities that the AKRSP has emphasized are training women in vegetable cultivation and poultry rearing, including the provision of improved inputs. In the past ten years the cultivated land area has increased a total of 6 percent, with an increase of more than 100 percent in the amount of land under vegetable cultivation. The land has been developed by the construction of water channels built by the village organizations.

Poultry rearing is also a traditional women's activity and is increasingly becoming the region's main source of meat. Women's organization members have been trained in poultry disease control and improved management practices. Ten years ago the average number of poultry birds per farm was 5.1. During the past ten years this number has increased to 12.3, representing an increase of 141 percent.

One of the most significant changes in the lives of members of women's organizations is that they are now eating many more varieties of vegetables and consuming more poultry products than they were ten years ago. Whereas they only used to grow two vegetable varieties, they now grow more than fifteen types of vegetables. Similarly, the increase in the number of poultry birds has meant that they are consuming more than double the amount of poultry and eggs.

Impact statistics do not capture the essence of the AKRSP's message and its success, which is a result of the strength of the women's organizations. There are simpler and perhaps more efficient ways to increase consumption and improve nutrition. However, the AKRSP's investment is not only in vegetable seeds or in poultry birds, but in the 600 women's organizations of northern Pakistan. More than 10,000 village specialists trained by the AKRSP are independently providing services to villagers, with more than 90 percent of them being paid by the villagers themselves. Women have set up poultry enterprises and are contributing to the education and improved health of their children through increased household incomes. They hold regular meetings of their organizations and they are saving money. Real per capita incomes of the region show a 94 percent increase since the inception of the program compared to 26 percent for the rest of Pakistan. Over the year's the women's organizations have saved PRs 19 million. Today women are much more involved in making decisions relating to land use and the allocation of financial resources. They are realizing their strength by being members of women's organizations and experiencing significant personal and collective growth.

Illustrative of the change in society's attitude toward women are the shifting distinctions and boundaries in occupations traditionally viewed as male. The transfer of accounting skills to women and the fact that women are managing the affairs of their organizations are positive signs of their enhanced capabilities and their potential to plan for their own development.

Lessons Learned

The change in the status of women in traditional areas such as northern Pakistan is not rapid. The program has encountered resistance by men to the concept of organizing women into strong and vocal groups. The women's organizations of northern Pakistan still have a long way to go before they develop capacities that will enable them to make decisions completely independently of men. Income generation has been the first step toward women's empowerment. In most women's organizations participants are using their money for productive activities, and are thus increasing their capital. However, women are also demonstrating an increasing awareness of investments in the social sector and are paying for education and health services for their daughters.

The large village-level network of community-based development organizations has lent a form of cohesion to activities undertaken by the villages of northern Pakistan. Villagers' increased capacity to design and implement their plans in a democratic manner has been the strength of these organizations. The "development partnership" that the AKRSP offered to the people of northern Pakistan has given them the confidence to tackle many of their problems on their own. The goal must be to invest in building up the capacities of poor communities. Then village organizations will be able to carry on the process.
Indonesia: Rural Credit for Marginal Farmers and the Landless

The objective of the Rural Credit for Marginal Farmers and the Landless Project is to increase the incomes of the rural poor in six provinces of Indonesia. It is also intended to provide the rural poor with a mechanism and institutional framework for accessing available government and other services, such as the agricultural extension system and the formal rural banking sector, by organizing them into groups.

After three years' operation, the project has succeeded in the following:

- Increasing the incomes of the poor by 41 to 54 percent
- Training and building up groups to enable them to gain access to credit, services, and the means for self-reliant development
- Forging an institutional structure capable of continuing the poverty alleviation program on a cost-effective and sustainable basis
- Linking groups of the poor to a bank with a wide network of rural branches and providing credit on terms that are both replicable and sustainable
- Providing a cost-effective model, methodology, and institutional framework for poverty alleviation that can be replicated nationwide
- Increasing the beneficiaries' empowerment, confidence, and self-reliance.

Roughly 2,000 villages from 53 districts in the 6 provinces were selected to participate in the project. More than 15,000 groups of the poor have been formed with an average membership of 10 or 11 households each, which amounts to a total of 160,000 families in just three years. Given the project's strong performance, it is likely to meet its target of forming 32,750 groups within the next two years, covering around 327,500 households or approximately 2 million rural poor people.

Project Design and Implementation

The project's aim is to form small groups that are socioeconomically homogenous. These are used as focal points for training, credit, and income-generating activities. It has been successful in creating relatively strong groups with internal dynamics and personalities of their own. Most women were found to prefer women's groups to mixed groups. Thus, while the project had envisaged that 20 percent of all groups would be women's groups, in practice the figure is 35 percent.

Above all the project has succeeded in targeting the poor. Rigorous targeting of the beneficiaries has been undertaken to ensure that no household with an income equivalent of more than 320 kilograms of rice per person per year (the poverty yardstick) is included. This is verified by a survey of preselected poor villages and households. These screening processes have succeeded in identifying the poor, although not always the most severely impoverished.

The project's intent was that group members should undertake one common income-generating activity, although up to three are allowed. Although this has raised practical difficulties in some locations, working together on a common enterprise has induced greater group confidence and cohesion, and has facilitated economies of scale in input supply, production, and marketing. The members of 83 percent of the groups undertook a common activity, but carried it out on an individual household basis, while the remaining 17 percent of groups used their access to credit for joint enterprises. Many of the groups also undertook social service activities as a group, which has advanced their standing in their communities.

The project has also been effective in training both beneficiaries and project staff. Field-level extension workers train the beneficiaries in the skills they need to manage their groups and microenterprises, while the extension workers are themselves specially trained for this purpose. The mid-term evaluation of the project found that the training was quite strong in all fields except nonfarm, microenterprise development, in which the field-level extension workers lack expertise.

Another major factor accounting for the project's success is its institutional foundation. The field-level extension workers set up the groups and train them, while their parent agency, the Ministry of Agriculture, is responsible for project management. At present, only 21 percent of the extension workers in the project locations have been drawn into project work, and they are supposed to devote only 30 percent of their time to such activities. This decision to base project staffing on the pattern of an existing agency with a vast field network (Indonesia has more than 30,000 field-level extension workers) implies that
Lessons of Expert nae Twelve Case Studies

175

project activities can be expanded and replicated at relatively low cost. Moreover, as project credit is provided through the normal banking system, project expansion or replication is unlikely to face any great costs or difficulties.

Project Impact

An important achievement of the project has been its ability to instill a sense of self-reliance among the members of poor rural groups and to demonstrate their creditworthiness. They have already accumulated Rp 700 million in compulsory savings. Moreover, all of them have accumulated additional voluntary savings totaling more than Rp 300 million.

Credit is provided by the Bank Rakyat Indonesia, the largest rural bank in the country. As the executing bank, it lends to the groups without demanding collateral at the near-market rate of 21.15 percent per year. Lending packages and procedures have been tailored to the poor, while staff have been trained by the project for banking with the poor. The repayment rate of 99.5 percent (after three loan cycles) makes this the most successful credit program in the country, if not the region.

The groups and individual beneficiaries are given assistance in microenterprise development to boost their economic activities. Here the results have been mixed. While many groups have set up profitable enterprises, especially in trading, agro-processing, and handicrafts, many are still stagnating in low-paying activities such as fattening livestock. One reason for this is that the field-level extension workers trained in agriculture are not equipped to help the groups with their nonfarm activities. Another obvious reason is the difficulty of finding profitable nonfarm income-earning activities in poor rural areas with an undifferentiated economy.

Of the groups receiving credit, 367 have formed associations. This two-tier system seems to evolve more naturally in areas with high concentrations of the poor, where many groups are formed in a single village, as in West and East Java and on the island of Lombok. The main reason for the emergence of the associations seems to be to implement particular activities that exceed the capacity of the groups. Such functions fall into three main categories: (a) financial intermediation, (b) purchase and supply of inputs, and (c) marketing. Despite their recent origin (all of them are less than one or two years old), the success of these associations, especially in the field of financial intermediation, has been impressive. For example, many of the associations collect the loan repayments of their member groups in advance and re-lend the funds to members mainly as short-term loans at interest rates of up to 5 percent per month, chiefly for petty trading. This has resulted in high rates of profit and savings. Thus the Association Sinar Harapan in Lombok—in existence for only one year—has already generated internal savings of more than Rp 1,088,500, and through profits from loans for petty trading has accumulated a fund of Rp 2.5 million. For reasons of institutional viability and economies of scale, these associations may well develop into the main service organizations of the poor, providing the institutional base for credit, for services, and for self-help activities.

In heavily populated poor villages, where in some cases more than 90 groups have been formed in a single village, each with a membership of more than 1,000 people, the social and institutional impact on the community is bound to be strong over time, especially in those villages where associations have been formed. Thus, the project may be said to be empowering the rural poor to a significant extent.

In terms of its sociopsychological impact, the beneficiaries claim that for the first time they are recognized by the community, are approached rather than overlooked by local government functionaries, and, most important, feel that they can improve their lives through their own efforts as a group. The individual and group savings of the poor have helped to give them this greater sense of confidence as well as collateral for credit in the future. Indeed, the Bank Rakyat Indonesia has confirmed that it would be prepared to continue lending to the groups without collateral (at market rates of interest) even after the project was over.

The project envisaged that credit would be disbursed only for activities approved in the group business plans. However, in practice the loans have been used to finance a number of other small income-generating activities, and even for consumption purposes. The beneficiaries have also been using their second and third loans to start additional new activities, thereby adding to and diversifying their income streams. Although loan repayments are being made in full and on
time, they do not necessarily originate from the activity financed by the loan. Thus in practice the project is financing a portfolio of activities by the poor (including consumption), but with excellent results in terms of credit repayment and increased incomes. Consequently, the project may switch to portfolio lending for the poor based on their actual cash flow and their 99.5 percent loan repayment rate.

Similarly, project credit has tended to flow mainly into nonfarm- or nonland-based enterprises, mainly because the beneficiaries have little or no land. When credit is targeted to the rural poor, they will inevitably channel the funds to those activities that are the most feasible and profitable for them. Hence, when the poor are accurately targeted, the credit activities also seem to be automatically targeted. In this case, 97 percent of the activities financed by project credit are of a nonfarm nature. (We have included livestock rearing by the landless, with the livestock fed from fodder cut from the commons, and the few cases of sea fisheries as nonfarm activities.)

Some 82 percent of the groups claimed that they had increased the volume of their production as a result of project credit, while 65 percent said that the quality of their production had improved. In some cases these changes were accompanied by diversification, differentiation, expansion, and modernization of production. Moreover, 79 percent of the groups noted indirect effects on production through improved input supply and marketing. There are also some cases of a change in production relations. Many respondents stated that whereas prior to the project they had been wage laborers, they were now self-employed.

Given the difficulties in measuring improvements in income, the data reported here must be viewed as a rough approximation. The mid-term evaluation estimated income increases per household at 41 to 54 percent. This is a significant increase considering that project credit has only been available for three years. The extent of the increase in incomes has varied according to the different locations.

With regard to institutions, the project has had a profound impact at three levels:

- The project has pioneered an essential institutional building block for poverty alleviation programs in Indonesia at a time when government interest in such programs is high by means of its creation of groups of the rural poor.
- The project has shown that an agricultural extension agency can, with some training, provide a widespread institutional network to sustain a countrywide poverty alleviation program. This also implies that the program can be doubled or tripled at short notice, and at little additional cost.
- The project has had an institutional effect on the largest rural bank in the country, which has changed its attitudes toward and rules and procedures for lending to groups of the poor, and has now accepted that lending to the poor at market rates of interest is both feasible and profitable.

Concerning the project's economic sustainability, many of the microenterprises are still at a stage of low productivity, but many others are profitable and have obtained access to higher levels of technology and higher value markets. It is in the area of microenterprise development, however, that the project still has a long way to go. Other technical resources will have to be brought in to ensure better performance in this field.

With respect to financial sustainability, the cost per beneficiary is estimated at only US$1 per month. This cost will decrease as the number of groups increases and they become more self-sustaining. The estimate excludes credit costs, but given that credit is to be at market rates of interest (at the conclusion of the project), this will not pose a financial problem for replication or sustainability.

As a result of the groups' excellent credit performance, the executing bank is now prepared to expand credit to groups of the poor in other areas on the same terms. It is also prepared, in the future, to continue providing credit to the groups (without collateral) at the market rate of interest prevailing at that time. Credit should, therefore, be sustainable, because the poor have proved that they can operate under these conditions.

Lessons Learned

The project's organizers learned a number of valuable lessons. First, it is possible, and indeed necessary, to organize the poor into groups to help themselves and receive services. Second,
these groups can be financed by providing credit without the need for expensive handouts. Third, the poor are creditworthy and have a better repayment record than other credit recipients, and therefore credit is sustainable. Fourth, existing institutional structures can be used to provide a low-cost and effective means to organize and train the poor. Finally, the means are available to make such a program of poverty and hunger alleviation relatively cost-effective, replicable, and sustainable.

India: Maharashtra Employment Guarantee Scheme

Among developing countries, the best known and by many accounts the most successful example of direct public efforts to reduce absolute poverty in rural areas is the Employment Guarantee Scheme (EGS) in the Indian state of Maharashtra.

Overview

Initiated in response to the severe drought in Maharashtra in 1972–73, since the mid-1970s the EGS has aimed at providing unskilled rural employment on demand, as embodied in its slogan magal tyala kam (whoever asks for work will get it). EGS projects create or maintain rural infrastructure through small-scale irrigation, soil conservation, reforestation, and rural road building. Wages are set in the form of piece rates stipulated for a number of specific tasks, such as digging, breaking rocks, shifting earth, and transplanting.

Given the attention it has received in development policy debates, it is surprising that the common perception of the EGS as a successful poverty alleviation program is backed up by relatively little careful research. The basis for this perception is perhaps to be found in several distinctive and promising features of the scheme as described in the following paragraphs.

First, the scale of the EGS is impressive: average monthly participation during 1975–89 was about 500,000 people. In an average year during the latter half of the 1980s, at a cost of about US$1 per day, it provided about 130 million person-days of employment in a state with a rural work force—including cultivators—of about 20 million (see table 2). Another notable achievement is that with the exception of the last few years, the scheme's scale has been sustained for nearly two decades. Since 1990, the EGS has been substantially reorganized to focus on integrated development at the village level. It is also being coordinated with other programs on watershed development, horticulture, and well construction. However, little is known about the effects of these recent changes, and this account refers mostly to the period up to about 1990.

Second, EGS projects are designed to be highly intensive in their use of unskilled labor. Labor costs have typically accounted for more than two-thirds of variable costs, even higher than the stipulated minimum of 60 percent (see box 1).

Third, the EGS has also been an important avenue of employment for women. Their share in total participation has ranged from about one-third to a half, with a median of about 40 percent. Several factors have contributed to this, including the close proximity of work sites to villages, the provision of basic child care (often employing an elderly woman from among the participants), and the fact that EGS piece rates do not discriminate between the genders (although differentials in time wages remain because of differences in the type of work and because women often work fewer hours than men).

Fourth, and perhaps the most striking feature of the EGS is its guarantee of employment, although the legal guarantee is restricted to the provision of unskilled manual work within the

---

Table 2. Summary data on the EGS, 1978/79–1990/91

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment (millions of person days)</th>
<th>Share of female labor attendance (percent)</th>
<th>Cost per person day (US$ at 1990–91 prices)</th>
<th>Share of wages in total costs (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978–79</td>
<td>163.5</td>
<td>43.3</td>
<td>11.11</td>
<td>79.6</td>
</tr>
<tr>
<td>1979–80</td>
<td>205.4</td>
<td>41.0</td>
<td>11.54</td>
<td>81.9</td>
</tr>
<tr>
<td>1980–81</td>
<td>171.5</td>
<td>37.3</td>
<td>14.20</td>
<td>75.9</td>
</tr>
<tr>
<td>1981–82</td>
<td>156.0</td>
<td>37.1</td>
<td>13.37</td>
<td>77.7</td>
</tr>
<tr>
<td>1982–83</td>
<td>128.0</td>
<td>36.9</td>
<td>17.48</td>
<td>76.2</td>
</tr>
<tr>
<td>1983–84</td>
<td>164.5</td>
<td>39.3</td>
<td>17.11</td>
<td>75.3</td>
</tr>
<tr>
<td>1984–85</td>
<td>178.0</td>
<td>37.9</td>
<td>19.26</td>
<td>63.7</td>
</tr>
<tr>
<td>1985–86</td>
<td>189.5</td>
<td>42.1</td>
<td>20.55</td>
<td>66.9</td>
</tr>
<tr>
<td>1986–87</td>
<td>187.6</td>
<td>52.9</td>
<td>17.36</td>
<td>63.4</td>
</tr>
<tr>
<td>1987–88</td>
<td>133.3</td>
<td>43.0</td>
<td>17.49</td>
<td>66.3</td>
</tr>
<tr>
<td>1988–89</td>
<td>81.3</td>
<td>35.0</td>
<td>22.62</td>
<td>72.4</td>
</tr>
<tr>
<td>1989–90</td>
<td>77.7</td>
<td>33.1</td>
<td>23.27</td>
<td>72.4</td>
</tr>
<tr>
<td>1990–91</td>
<td>62.6</td>
<td>—</td>
<td>24.00</td>
<td>70.6</td>
</tr>
</tbody>
</table>

---

a. Refers to the financial year, April to March.

Source: Compiled from monthly progress reports on the EGS published by the Planning Department of the Government of Maharashtra, Bombay.
district (see box 2). The district covers a large area: apart from Greater Bombay, Maharashtra has twenty-nine districts with an average area of about 10,000 square kilometers. In general, though, the EGS has sought to locate work sites within the same panchayat samiti area (typically a small cluster of contiguous villages).

Finally, the employment guarantee is closely linked with another attractive feature of the EGS, namely, its ability to operate as a self-targeting scheme. This avoids the costly, and in some instances infeasible, alternative of means testing. Self-targeted schemes work on the general principle that the benefits net of costs of participation are such that only the poor would wish to participate. In the EGS self-targeting works by combining a low wage rate and a manual work requirement. Breaking rocks or performing similar physical labor for a low wage is unlikely to be attractive to anyone but the poor.

Impacts: The EGS and Poverty Alleviation

Since the mid-1970s absolute poverty in Maharashtra has declined more rapidly than in India as a whole. While this may be consistent
with expectations, how much of the decline in poverty in Maharashtra can be attributed to the EGS is not known. The critical issue in assessing the performance of the EGS is its cost-effectiveness in alleviating poverty relative to alternative policies supported by the same gross budget. Even within the narrow dimension of income or consumption poverty, this is a difficult question, and one that the literature has not addressed adequately. However, some evidence is available.

The poverty alleviation impact of the EGS depends on (a) the scheme's success in screening the poor from the nonpoor among potential participants (targeting), (b) the size and distribution of net income gains to the participants, and (c) indirect benefits.

**Self-targeting.** Recent evidence on the scheme's performance in reaching the rural poor is available from the National Sample Survey for 1987–88. The survey asked whether or not anyone in the household had participated in a rural public works project (mainly, but not restricted to, the EGS) for sixty days or more in the last year, and asked a similar question about participation during the previous five years in the Integrated Rural Development Programme, a scheme of subsidized credit targeted to the poor on the basis of an income means test. Figure 4 plots participation in public works and the credit program against consumption per person. Consistent with previous information about the EGS, it shows that participation in rural public works in Maharashtra tends to be greatest for the poor. Self-targeting seems to work for the EGS (while the means-tested credit program is strikingly untargeted).

**Net income gains to participating households.** Net income gains to participating households are more difficult to measure than the scheme's targeting performance. Foregone income is the main cost involved, which may be significant even in situations of relatively high unemployment. It depends on how participation in the EGS displaces other more or less productive household activities. Evidence from a detailed study of two villages in the Sholapur and Akola districts of Maharashtra found that foregone incomes are positive, although quite low. The bulk of the displacement in time allocation is in unemployment for men and leisure or domestic work for women. The net gains to participants represented about three-quarters of their gross wage receipts. Factoring in other costs, notably materials and supervision, the study found that about half of the gross budget disbursement directly reaches the participants, most of whom would be deemed poor by any reasonable standard. However, the impact on poverty is no greater than what could be expected from the same gross budget disbursed as uniform (untargeted) cash handouts to all households.\(^\text{10}\)

**Indirect benefits.** The evidence cited above suggests that in the case of the EGS poverty alleviation depends on the indirect benefits. The same study cited above estimates that indirect benefits equal to about 40 percent of cost, if uniformly distributed across all households, would be enough to tilt the scale in favor of the public works scheme over untargeted uniform transfers. Thus, conventional benefit-to-cost ratios well below unity would still ensure that the EGS was relatively cost-effective in alleviating poverty.

The two most important sources of indirect benefits from the EGS are through asset creation and induced effects on agricultural wages. Since its inception until March 1991, a staggering total of 195,000 EGS works had been completed. To date their benefits have not been systematically quantified. A 1980 study by the Programme Eval-
uation Organization of the Planning Commission, Government of India, and the Directorate of Economics and Statistics, Government of Maharashtra, did provide some information about a range of benefits from the assets created by sixty-six completed works spread over four districts of Maharashtra. It listed a total of 2,051 households, or 31 households per completed work, who benefited in different ways from EGS assets, including 1,427 households who reported an increase in their farm production, 335 who repaid outstanding loans, and 558 who were able to create new assets from increased earnings. The study also reported an enhancement of the employment potential of the area around the completed works, with farming households reporting greater use of both family and hired labor. It is, however, difficult to say how far these findings can be generalized (see box 3).

During the mid-1970s to the mid-1980s, the real wages of agricultural laborers in Maharashtra increased substantially, with increases ranging from 50 to more than 100 percent depending on the region. Again, how much of this can be attributed to the EGS is not known. However, even if the EGS's contribution was relatively small, the overall benefits could be enormous, because a wage increase benefits not just the 500,000 EGS participants, but the entire work force of 8 million agricultural laborers. Note that maintaining the scheme's guarantee aspect is an important factor in the realization of these benefits: assured employment allows workers to make credible threats during wage bargaining in local labor markets.

Stabilization benefits. The EGS can claim a certain measure of success in stabilizing the incomes and consumption of the poor, both within a year and across good and bad years. The evidence here is indirect, and is based mainly on the pattern of labor attendance at EGS projects (figure 5). First, EGS attendance seems to be responsive to the seasonality of labor demand in agriculture. Monthly labor attendance typically peaks during March to May and is at its lowest during September to November. This is consistent with Maharashtra's crop calendar. The major food crops (jowar, rice, bajra) are grown in the kharif (monsoon) season, with sowing in June to August and harvesting in October to December. Even the rabi (post-rainy season) food crops (sown in September through November and cotton, the principal nonfood crop (sown in June through September), are harvested by about March.

Similarly, some evidence indicates that EGS attendance responds positively to shocks in the agricultural sector. For example, during 1979–80, when Maharashtra was hit with a drought in the central and western (Madhya Maharashtra and Marathwada) region, and later a flood in the eastern (Vidharbha) region, labor attendance increased sharply. The same happened during 1985–87, when drought conditions led to a roughly 30 percent drop in foodgrain output.

Lessons Learned

Despite its popularity, the EGS remains controversial in some respects. The scheme has often been criticized, with some justification, for creating low-productivity assets with poor subsequent maintenance and little complementary investment. Some people also argue that while the EGS provides short-term income supplements to the rural poor, it has not improved their long-term income-earning capacity to the extent that they no longer need the EGS. According to this view, a truly successful EGS should have been self-liquidating. Several considerations are relevant when assessing the merits of this argument. First, there is scattered evidence of long-term income gains in some areas. Also, the success of the EGS needs to be judged against

Box 3. Induced income effects of EGS assets: Ralegaon Shindhi

One of the best known examples of induced income gains from the EGS is that of Ralegaon Shindhi, a village in the drought prone district of Ahmadnagar in central Maharashtra. In this village, EGS funds (supplemented with other public funds) have been successfully used to harness scarce water and to develop social forestry. As a result, the village harvests two or three crops a year and has enough wood or biomass fuel. Ralegaon Shindhi claims to have eradicated unemployment, and the EGS is no longer needed in this village.

alternative antipoverty programs or policies. In general, targeted poverty alleviation programs cannot substitute for a sustained broadly based growth process, but they can often be a useful component of an overall development strategy to help the poor. In that context, there will arguably be scope for public works employment programs such as the EGS, particularly in a setting of surplus labor, unstable incomes, and poor infrastructure.

Tunisia: From Universal Food Subsidies to a Self-Targeted Program

Through the Caisse Générale de Compensation (CGC), the Tunisian government has subsidized the consumption of basic foodstuffs and a variety of other items since 1970. The benefits have been available to anyone who chooses to purchase subsidized commodities in whatever quantity they desire.

Overview

While CGC subsidies made a substantial contribution to the level of consumption by the poor, by the 1980s it was apparent that the universal subsidy program had become too costly for the government. The government was faced with a common policy dilemma in reforming its universal subsidy program: how to reduce budgetary costs in a politically acceptable way while protecting the poor. A central theme of the Tunisian reform program, which was introduced into the Eighth Development Plan (1991–96), has been its reliance on existing institutions. Rather than switching to an entirely different method of transferring income to the poor, the government has sought to fine-tune the existing framework of price subsidies by shifting subsidies to those food products that are primarily consumed by lower-income groups. With this approach, a type of self-targeting, subsidized products are still available to all, but the subsidized commodities selected are of the kind that the rich choose not to consume. For a summary of the program and selected indicators, see table 3.

Impact of the Universal Subsidy Program

Since its inception, the central objectives of the CGC subsidy program have been to redistribute income in favor of the poor and to protect the purchasing power and nutritional status of low-income groups. To some extent, the universal subsidy program succeeded in meeting these goals. It was progressive in relative terms, contributing some five times more to the purchasing power of the poor than of the rich as a share of total expenditures. This is not surprising because the bulk of CGC subsidies were on food products that generally constitute a larger share of total spending by lower-income groups than by the more well-to-do. Indeed, subsidies on food items covered by the program have been very important to the poor. In 1990 they contributed more than 11 percent to the total expenditures of the lowest income group. More than 74 percent of total caloric intake by the poor and close to 44 percent of their protein consumption were derived from subsidized products.

Despite these benefits, by the mid-1980s it was clear that the universal subsidy program was inefficient and costly. It was inefficient because it subsidized a broad range of products available to all Tunisians regardless of need. The wealthiest income group actually benefited twice as much from the program as the poorest income group in absolute (per capita) terms. The program was costly because it claimed a large share of government resources: by 1984 outlays on subsidies hovered at around 4 percent of GDP and 10 percent of total government expenditures.
Alternative Courses of Reform

The program's high and rising costs combined with inefficiencies and substantial leakages to the nonpoor made an overhaul of the universal subsidy system an urgent priority. In the early 1980s Tunisian policymakers began exploring ways to reform the program. An initial attempt to reduce the CGC's budgetary costs was made at that time, and subsidies on several food items were eliminated, effectively doubling their prices. However, the violent riots that erupted in response to these efforts forced officials to rescind the measures and delayed the adoption of significant reforms until the end of the decade.

Rather than eliminating the transfers, which was no longer politically feasible, or continuing with the costly existing program of universal provision, Tunisian policymakers examined several alternatives for better targeting of transfers to the poor. In practice, correctly identifying eligible people can be difficult because of incomplete information about individuals' economic status. This problem has plagued assistance programs begun in Tunisia in 1986 to ease the pressures of structural adjustment on the poor. These programs rely on individual assessment (means testing) to screen potential beneficiaries. However, administration of these programs has proved to be difficult and eligibility lists are rarely updated. As a result, the direct assistance programs have suffered from substantial leakages to the nonpoor and have excluded eligible beneficiaries. For these reasons the Tunisian government has not considered individual assessment schemes, such as food stamps, to be feasible replacements for the food subsidy program.

The government has also explored other targeting approaches, but these have not proved to be suitable for reforming the food subsidy program either. For example, the authorities rejected geographic targeting, because in many areas distinctions between neighborhoods are too obscure to make it effective.

The Reform Program: From Universal Subsidies to Self-Targeting

Given political, economic, and administrative constraints, reforms that reduce costs and improve the equity of subsidies are obviously preferable to those requiring an entirely new institutional structure. In this context, a reform program was incorporated into the Eighth Development Plan (1991–96) with the primary goal of reducing CGC expenditures while protecting lower-income groups. The primary components of the reform program include (a) improving the targeting of the CGC intervention, (b) adjusting prices gradually to reduce and eliminate subsidies on certain products, and (c) reducing unnecessary production and distribution costs for subsidized products.

Table 3. Consumer subsidy reform and selected indicators, selected years

<table>
<thead>
<tr>
<th>Number of intended beneficiaries</th>
<th>Poorest quintile of the population (1.6 million in 1990)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita GNP (U.S. dollars)</td>
<td>1980</td>
</tr>
<tr>
<td></td>
<td>1,280</td>
</tr>
<tr>
<td>Percentage of poor individuals*</td>
<td>1980</td>
</tr>
<tr>
<td></td>
<td>12.9</td>
</tr>
<tr>
<td>Percentage of individuals estimated to be food insecure or unable to meet minimum caloric requirements</td>
<td>Specific figure not available. In 1985, the Food and Agriculture Organization of the United Nations estimated that daily energy requirements in Tunisia were 2,103 calories per person. In 1990, 18 percent of the population (1.5 million people) consumed a daily average of 2,125 calories per person or less, and 13 percent (1.1 million people) consumed a daily average of 1,953 calories per person or less.</td>
</tr>
<tr>
<td>Percentage of individuals below the BMI cut-off point (&lt;18.5) for energy deficiency*</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>4.1</td>
</tr>
<tr>
<td>Female</td>
<td>4.8</td>
</tr>
<tr>
<td>Total</td>
<td>4.5</td>
</tr>
<tr>
<td>Costs of subsidy program per beneficiary (U.S. dollars)</td>
<td>1980</td>
</tr>
<tr>
<td></td>
<td>44.3</td>
</tr>
</tbody>
</table>

a. According to the official poverty line, which is based on a minimum daily intake of 1,870 calories per person in urban areas and 1,830 calories per person in rural areas.

b. BMI is the body mass index (weight/height²).

A particularly innovative aspect of the Tunisian reform program is its reliance on self-selection mechanisms to improve the targeting of subsidies. Self-targeting occurs when benefits are available to all, but the program is specifically designed so that the nonpoor elect not to participate. While other targeted programs require some sort of explicit screening mechanism (such as individual or group assessment) to determine eligibility, with self-targeting the decision to participate is made by individuals themselves rather than by social workers or other government agents.

The principal device used to promote self-targeting in Tunisia is quality differentiation. Designing a self-targeted food subsidy program using quality grading involves examining household expenditure data to determine whether significant differences exist in consumption across income groups. If the poor consume a different basket of goods than higher-income groups, this basket can be targeted for subsidies. Using existing survey data to identify goods for subsidies allows self-targeted programs to economize on information costs by avoiding the cumbersome task of assessing individuals' income levels to determine eligibility. In practice, however, consumption patterns may not differ significantly across income groups. This does not mean that self-targeting is not feasible, but that it may require some creativity to invent "inferior" subsidized goods that are unattractive to higher-income groups and to encourage unsubsidized high-quality alternatives to siphon off demand by the rich.

As a first step in improving the targeting accuracy of the Tunisian program, the government eliminated subsidies on goods clearly consumed disproportionately by the rich. Efforts were then extended further to include two additional methods of self-targeting in the cereals, milk, cooking oil, and sugar subsectors.

The first method, the superior goods approach, involves easing government controls to allow the private sector to market high quality, unsubsidized products that appeal to high-income consumers as alternatives to their subsidized counterparts. In general, the quality of the subsidized products is reasonable, but not exceptional. Because markets have been tightly controlled by state marketing boards in the past, the subsidized product has often been the only quality available on the market. To reduce subsidy costs while maintaining benefits to the poor, the authorities have liberalized the sale of higher quality versions of these goods, which are sold at cost and are bought by wealthier consumers, who then consume less of the subsidized products.

The second method for extending self-targeting, a variation of the inferior goods approach, involves differentiating goods within a particular product line through different types of packaging and the use of generic ingredients. The products packaged in the lowest quality cartons or containing generic ingredients are subsidized. These perceived inferior features discourage consumption by upper-income groups, although the intrinsic quality of the subsidized products remains good.

**Impact of the Reform**

The two mutually reinforcing techniques for self-targeting described above have been successfully implemented in Tunisia. Data on CGC spending indicate that the reforms have reduced costs significantly: outlays on the subsidy program were cut from over 4 percent of GDP and close to 10 percent of government expenditures in 1990 to 2 and 6 percent, respectively, in 1993. While data for an extensive quantitative assessment are not yet available, anecdotal evidence suggests that the rich are indeed shifting consumption toward superior goods in each subsector, whereas the inferior goods created under the reform program appear to be well-targeted toward the poor. (To analyze the results of self-targeting efforts more rigorously, data are being collected in a small-scale survey currently under way in Tunisia and the results will be available in an upcoming study.) Despite these evident successes, analyzing the impact of price increases on lower-income groups reveals mixed results: simulations show that any increase in the real prices of subsidized goods has an adverse effect on the welfare and nutritional intake of the poor. Targeted price adjustments, which reduce or eliminate subsidies on products consumed disproportionately by the rich, dampen these effects. However, price increases on such products still hurt the poor because even these goods are consumed to some extent by low-income groups. This dilemma reflects a genuine tension between the goal of reducing the CGC program's budgetary costs and that of protecting the poor.
Lessons Learned

Political considerations, imperfect information, and the importance of food subsidies to the poor limit the tools available to Tunisian policymakers in reforming the universal subsidy program. The three-pronged reform program adopted by the Tunisian authorities makes use of available information and existing institutions developed by the universal subsidy system. This approach has also proved to be a politically acceptable way to cut budgetary expenditures while protecting the consumption of the poor. While the results of the reform efforts since 1991 are impressive, particularly their successful reduction of budgetary costs, there is still scope to improve the effectiveness of the reform program.

**Self-targeting.** Self-targeting efforts in Tunisia should be reinforced. Liberalizing government controls on superior goods and allowing unsubsidized goods to enter the market through private channels to siphon off the demand of wealthier consumers should be intensified in all subsectors. The inferior goods approach should also be strengthened by further tailoring the selection of subsidized goods to the consumption patterns of the poor.

**Price increases.** In general, price increases should be gradual, but should at least keep pace with inflation to control budgetary costs. These increases should be focused on goods consumed disproportionately by higher-income groups. While targeted price increases are not as detrimental as indiscriminate subsidy cuts, the government needs to pay close attention to their impact on the poor. It should simultaneously introduce compensating measures where feasible.

**Data requirements and monitoring.** The information necessary to design a self-targeted subsidy program includes household expenditure data. The government should seek to collect this information regularly to monitor the progress of the ongoing reform program. This could be done using frequent small-scale surveys as opposed to the larger, five-year surveys currently being used. In addition, marketing studies that test consumer acceptance of self-targeted products should be conducted prior to widespread introduction of new targeted goods. Moreover, policymakers should seek to establish an explicit, consistent definition of the target group, and then coordinate monitoring of the standard of living of this group.

The Tunisian case provides a useful example for other countries that are contemplating similar reforms, but that are concerned about the practicalities of implementing self-targeting reforms. Note that Tunisia's self-targeting efforts are part of a reform program. Self-targeting via quality differentiation is appropriate in Tunisia precisely because a system of food price subsidies was already in place. The aims of the self-targeting component are to modify existing institutions to reduce leakages to the nonpoor, to cut the scope of the program, and to protect the welfare and consumption of the poor. Self-targeting may not be suitable in cases where the institutional framework of food subsidies did not previously exist. In cases where self-targeting does seem appropriate, the practicalities of the program, such as the particular quality features of the targeted products, are likely to be specific to the region or country in question. The Tunisian experience offers an example of one way in which such reforms were implemented, and provides the information necessary to design an effective self-targeting reform program.

**Honduras: Food Coupons**

Widespread poverty in Honduras was aggravated during the economic crisis of the late 1980s, resulting in a significant increase in the incidence of undernutrition, particularly among young children. The proportion of children under five years of age exhibiting symptoms of severe and moderate malnutrition increased from 38 percent in 1987 to 46 percent in 1990 according to the Ministry of Health's national health survey. Chronic malnutrition (stunting or low height-for-age) among school-age children averaged 40 percent in 1986. Nutrition deficiencies among poor pregnant women was a factor behind the high incidence of infant mortality (50 per 1,000), low birth weights, and high rates of maternal mortality that reached 221 per 100,000 in 1991.

The traditional nutrition assistance programs that existed in Honduras prior to the creation of the Family Assistance Program (PRAF) involved distributing food through various channels. All these traditional programs carried high overhead costs and suffered from serious logistical prob-
lems. Limited coverage and faulty targeting contributed to their failure to reach those most in need. Weaknesses in their education efforts included failing to communicate adequately information about breastfeeding, weaning practices, or adequate diets for children and women. Neither did they provide incentives for the poor to use existing health care and education facilities. Reliable evaluations of program outcomes were not conducted, and a policy framework for integrating and consolidating nutrition assistance efforts was missing.

To address these issues, the government decided to test a new strategy of income transfers in the form of food coupons targeted to the most vulnerable groups. It created the Family Assistance Program in July 1990 to expand the coverage of nutrition assistance while improving targeting and reducing the administrative costs of program implementation. Operated initially through the primary school system in the poorest departments, the authorities introduced a pilot program in 1991 to test delivery of food coupons through the basic health network. The pilot program proved effective, and implementation of an expanded PRAF program with improved targeting and parallel strengthening of preventive health care and primary education services began in early 1993.

Implementation

Under the first PRAF food coupon program (Women Head of Household Coupon Program) coupons are distributed through the schools to poor mothers and their children attending grades one through three in primary school and shown to be at risk of malnutrition. Expansion of this program covers children entering the first grade of primary school at risk of malnutrition as identified by the annual nutrition census (height/age). In addition, at participating schools where the results of the annual nutrition census show an incidence of malnutrition equal to or higher than 60 percent, all first graders become beneficiaries of the program. The food coupon, distributed three times a year, is equivalent to US$37 per year, and is estimated to cover 20 percent of the value of the individual food basket of the beneficiaries. As of October 1993, approximately 205,000 mothers and children were benefiting from this program in eight departments. To maintain eligibility, children have to attend school.

The coupons for the Maternal Child Coupon Program are administered through health centers targeted to low-income children under five and pregnant and lactating mothers. This program currently benefits approximately 104,000 poor mothers and children in ten departments. The program provides coupons every month equivalent to US$45 per year for each eligible child and mother. The intervention is concentrated on the earliest stages of infancy and childhood, and includes assistance to pregnant women to improve the chances of reaching children before malnutrition causes permanent damage. To maintain eligibility, beneficiaries must meet health surveillance requirements. Together with the coupon, beneficiaries receive information on breastfeeding, weaning practices, and adequate diets for women and children. Intensive supervision at both coupon delivery sites ensures against leakage to noneligible individuals.

The private sector is involved in all stages of the program, with the commercial banking network participating directly by distributing coupons and redeeming them from local merchants. Local merchants participate by accepting the coupons in payment for food and other basic goods. Successful communication about the program has resulted in close to 100 percent acceptance of coupons by merchants. Potential problems of corruption on the part of shopkeepers have been avoided by the willingness of local commercial banks to redeem coupons directly, leaving no room for merchants to demand "servicing fees" for redemption of the coupons against goods.

Beneficiaries can redeem the food coupons through commercial establishments (including private banks) within four months of their issue, with redemption not contingent upon the purchase of food. In practice, beneficiaries use the bulk of the coupons (88 percent) at local stores to purchase food, and spend the remainder on essential items such as school supplies, shoes for their children, and medicine. Commercial banks redeem the coupons at the Central Bank of Honduras. Used coupons are canceled at the Controller’s Office. The authorities have not adjusted the coupons’ face value because inflation rates have declined, but they reviewed this issue in early 1994, and plan to make an adjust-
ment in 1995. The costs of using health care staff and primary school teachers for distributing coupons to the beneficiaries has not been systematically measured, but the PRAF intends to do this as part of its monitoring and evaluation activities.

PRAF's food coupon expenditures amounted to US$72 million equivalent in 1992, including 3.4 percent administrative costs. These costs are lower than those programs that distribute food in-kind generally incur. PRAF's success in reaching target groups has convinced the government that the food coupon program should be continued over the medium term.

Program Impact

An evaluation of the pilot experiments indicated that the program was cost-effective in alleviating poverty and was more efficient than other nutrition assistance programs. There is widespread acceptance and support of the program by beneficiaries, implementing agencies, participating retailers, and banks, leading other donor agencies to consider monetizing existing in-kind food aid programs as they reach their completion, particularly as the food coupon programs have not had inflationary effects.

In addition, the PRAF program provides its beneficiaries with incentives to use preventive health services and primary schools. Enrollment in participating primary schools rose by 12 percent, while the number of consultations at participating health centers increased by 131 percent during 1990–91.

Lessons Learned

The key elements contributing to the PRAF's success are (a) the use of coupons as opposed to in-kind nutrition assistance; (b) the simple and standardized eligibility criteria for beneficiary selection; (c) the high frequency of coupon distribution (in the case of the Bono Materno Infantil Program), which increases the probability of coupon use to purchase food; (d) the simple coordinating mechanisms between PRAF, the Central Bank, private banks, the Ministry of Health, the Ministry of Education, and merchants; (e) the annual recertification of beneficiaries, that is, the existence of clear exit criteria; and (f) the direct linkage with primary health and primary education services.

Chile: Targeting and Decentralizing Health and Nutrition Programs

Ensuring that subsidies and services meant for the poor actually reach them and are not diverted to the less needy requires a constant effort. Targeting and decentralizing programs to alleviate poverty is essential to make the most of scarce resources, but is an extraordinarily complex institutional, administrative, and political task.

Existing programs and institutions often have to be restructured, complex legal issues have to be addressed, and targeting and decentralization faces considerable resistance from powerful groups that in the past have captured much of the subsidies.

Chile's innovative reforms in the social sector during the 1980s and early 1990s—in education, health and nutrition, housing, and social security—represent a success story of effective, well-targeted reforms that have broad and relevant lessons for other countries. These reforms have produced record gains in social indicators such as life expectancy, nutrition, infant and child mortality rates, and birthweights.

Background

From 1960 to 1991, Chile's infant mortality rate fell from 119.5 to 14.6 per 1,000 live births; the child mortality rate dropped from 9.1 per 1,000 to only 0.8; the percentage of low birthweight newborns declined to 5.7 percent, a decrease of around 45 percent since 1976; and life expectancy at birth increased by more than 13 years, a world record gain. The greatest reduction in infant and maternal mortality has taken place in poorer rural areas, where mortality rates were the highest. The decline was achieved by improving access to health services, potable water, and sewage disposal systems.

This remarkable improvement in social indicators in Chile during the last three decades occurred in a highly unstable and difficult economic situation for the country as a whole. As shown in table 4, GDP growth was highly unstable, even negative, in some years; unemployment was high during the early 1980s; inflation was
extraordinarily high during the early 1970s; and government real expenditures on health programs declined. Given these circumstances, why did the social indicators continue to improve at rates even faster than in the past?

Chile has a long history of combined health and food distribution programs, the most important of which are the Complementary Feeding Program (CFP), the School Feeding Program, and the Day Care Food and Education Program. The food distribution programs that gave birth to the CFP started as early as 1936 with the distribution of milk to children from birth to age two. Since then, the CFP has constituted an important part of Chile's welfare system, lasting through many different political regimes. The reason why these programs have survived numerous and radically different political regimes is that they were initiated to ameliorate malnutrition from a technical perspective, and were not perceived as part of the political platform of a specific party. Since their initiation both government analysts and university academics have participated in the debate about the design and implementation of the health and nutrition programs.

With the creation of Chile's National Health System in 1952, the authorities redefined the food distribution programs, integrated them with the provision of health services, and expanded the CFP to cover children under six and pregnant and lactating women. As a result, the entry point into the integrated health and nutrition programs was during pregnancy, and continued until the child was six years old. In primary school, the school lunch program provides on-site food rations for low-income school children linked to school attendance.

The main objectives of the redefined CFP were to prevent malnutrition among the most vulnerable groups and to promote health through regular visits to health clinics, immunization, and education on the use of health services among low-income families. Food distribution involved not just providing free food, but was used as a device to attract beneficiaries to health and nutrition services. This was accomplished by channeling the distribution of milk through health clinics and rural health posts.

Because the food distribution program was conditional on the beneficiaries having regular health check-ups, this required a nationwide infrastructure of health clinics to meet the increased demand for preventative and curative services. Consequently, during the 1960s the government expanded its investments in physical as well as human resources.

Reform of the Social Services' Delivery System

During the 1970s the government reoriented its efforts to improve the targeting of health services and food distribution to the needy. To increase efficiency in the provision of services, service delivery was decentralized to the local level (municipalities), and the responsibility for manufacturing milk products was transferred to the private sector. In this way, the government was able to expand and improve primary health services, giving priority to mothers and children of low-income households, and to expand coverage in rural areas. Better food presentation was emphasized, and industries that produced the milk for the program were required to sell the same product they sold in the supermarkets, thereby eliminating the image of "a product for the poor." For the preschool population (children age two to six), the authorities introduced

---

### Table 4. Growth rates in GDP and government spending, 1970-90

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth in GDP per capita (percent)</th>
<th>Unemployment rate (percent)</th>
<th>Inflation rate (percent)</th>
<th>Health expenditures (millions of dollars)</th>
<th>Social expenditures (as percentage of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>0.5</td>
<td>—</td>
<td>34.9</td>
<td>342.5</td>
<td>13.0</td>
</tr>
<tr>
<td>1973</td>
<td>-7.1</td>
<td>—</td>
<td>101.9</td>
<td>553.6</td>
<td>17.0</td>
</tr>
<tr>
<td>1974</td>
<td>-0.7</td>
<td>—</td>
<td>375.9</td>
<td>429.5</td>
<td>15.8</td>
</tr>
<tr>
<td>1975</td>
<td>-14.4</td>
<td>14.7</td>
<td>340.7</td>
<td>311.7</td>
<td>14.7</td>
</tr>
<tr>
<td>1976</td>
<td>1.8</td>
<td>12.7</td>
<td>174.3</td>
<td>262.1</td>
<td>14.2</td>
</tr>
<tr>
<td>1977</td>
<td>8.0</td>
<td>11.8</td>
<td>63.5</td>
<td>301.7</td>
<td>15.0</td>
</tr>
<tr>
<td>1978</td>
<td>6.4</td>
<td>13.8</td>
<td>30.3</td>
<td>314.8</td>
<td>14.5</td>
</tr>
<tr>
<td>1979</td>
<td>6.5</td>
<td>10.4</td>
<td>38.9</td>
<td>298.4</td>
<td>14.3</td>
</tr>
<tr>
<td>1980</td>
<td>7.8</td>
<td>10.3</td>
<td>31.2</td>
<td>384.1</td>
<td>14.6</td>
</tr>
<tr>
<td>1981</td>
<td>5.5</td>
<td>11.4</td>
<td>9.5</td>
<td>465.5</td>
<td>18.2</td>
</tr>
<tr>
<td>1982</td>
<td>-14.1</td>
<td>19.6</td>
<td>20.7</td>
<td>384.3</td>
<td>22.4</td>
</tr>
<tr>
<td>1983</td>
<td>-0.7</td>
<td>14.7</td>
<td>23.1</td>
<td>317.3</td>
<td>21.9</td>
</tr>
<tr>
<td>1984</td>
<td>6.3</td>
<td>13.9</td>
<td>23.0</td>
<td>313.7</td>
<td>22.3</td>
</tr>
<tr>
<td>1985</td>
<td>2.4</td>
<td>12.0</td>
<td>26.4</td>
<td>281.1</td>
<td>21.6</td>
</tr>
<tr>
<td>1986</td>
<td>5.7</td>
<td>8.8</td>
<td>17.4</td>
<td>261.6</td>
<td>20.8</td>
</tr>
<tr>
<td>1987</td>
<td>5.7</td>
<td>7.9</td>
<td>19.9</td>
<td>259.0</td>
<td>17.4</td>
</tr>
<tr>
<td>1988</td>
<td>7.4</td>
<td>6.3</td>
<td>14.7</td>
<td>270.3</td>
<td>16.5</td>
</tr>
<tr>
<td>1989</td>
<td>10.0</td>
<td>5.3</td>
<td>17.0</td>
<td>262.9</td>
<td>13.9</td>
</tr>
<tr>
<td>1990</td>
<td>2.1</td>
<td>5.7</td>
<td>26.0</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

---

Not available.

a. October through December each year.

b. Social expenditures include health, social welfare, social security, education, regional development, and housing.

Source: Central Bank of Chile.
milk-cereal mixtures instead of powdered milk to increase the children's intake of vitamins and minerals, diminish food leakages within the family, and use cheaper raw materials (for example, soybeans). Finally, as a preventive measure, in 1983 the government initiated a reinforced program that provides additional food and more frequent health care for low-weight pregnant women, undernourished children, and those nutritionally at risk. A scale that measures weight increments is used to identify the children nutritionally at risk.

Tables 5, 6, and 7 present various quantitative indicators on coverage and government expenditures on health and nutrition programs. Table 5 shows coverage and the implicit income transfer from the three principal programs, table 6 presents the annual cost per beneficiary of the same programs, and table 7 shows the coverage of potable water and sewerage services.

In October 1993, based on the results of a recent evaluation of the criteria for targeting the reinforced program (see table 6 for an explanation), the program directors decided to use weight-for-age and weight-for-height as key indicators in defining the target population. These changes are expected to reduce the population participating in the reinforced program by some 30 to 40 percent. This result shows the need for constant review of the targeting criteria and the operation of the health and nutrition programs, so that adjustments can be made in accordance with the current situation and are not historically based.

Some Features Underlying the Social Reforms

A common principle underlying the orientation of social reforms in Chile during the 1980s was that government spending should subsidize the demand for and not the supply of social services. That is, subsidies should be given directly to beneficiaries rather than to providers, and should be given in the form of direct subsidies (vouchers) rather than indirect subsidies (such as subsidizing the price of commodities).

Decentralizing service provision was another important component of the reforms based on the view that municipalities and the private sector rather than the central government should provide social services. Local governments or institutions are closer to the beneficiaries, resulting in improved quality of services, better targeted programs, increased enrollment of low-income households, and more effective administration.

The authorities gave high priority to the development of an effective information system, which was seen as key for planning the reforms and introducing targeting. One of the main instruments for targeting social programs was the poverty map, prepared in 1974, and later complemented by a living standards measurement instrument called the Committee for Social Action Index System. The latter has become a useful tool to help the local authorities (municipalities) identify the target population for a wide variety of social assistance programs, such as subsidies for housing and pension assistance.

The CFP uses health and nutrition information gathered monthly at the health clinics to make decisions at the local, regional, and central levels. The regularity of the information permits the local staff to assess health and nutrition trends, thereby permitting timely modifications of ongoing programs and assessments of the short-term needs for a new intervention.

Table 5. Coverage and implicit income transfer from the principal food distribution programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Coverage</th>
<th>Implicit income transfer as a percentage of household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complementary Feeding Program</td>
<td>71% of total population under 6*</td>
<td>16% for the poorest decile, 6.7% for the second poorest decile</td>
</tr>
<tr>
<td>School Feeding Program</td>
<td>80% of the expenditures allocated to poorest quintiles; the program covers 52% of the children in quintile 1 and 26% in quintile 2*</td>
<td>32.9% for the poorest decile, 13.3% for the second poorest decile</td>
</tr>
<tr>
<td>Day Care Food and Education Program</td>
<td>40,000 children in the two poorest quintiles in 1978 and 72,000 in 1991</td>
<td>--</td>
</tr>
</tbody>
</table>

---

a. Actual coverage by the public health system is 78 percent of the population between one and less than two years old and 70 percent of the population between two and five.
b. Of children attending primary school in urban and rural areas.

Another information system designed to measure the redistributive impact of social spending is the Living Standards Measurement Survey, a comprehensive national household survey that contains information on all the subsidies programs the government currently runs. It covers a representative sample of approximately 20,000 households that was first obtained in 1985 and subsequently studied in 1987, 1990, and 1992. These surveys have provided reliable information on the efficiency of the targeting in the various programs, presenting information on the subsidies the different income groups have received, and allowing planners to make corrections where needed.

Developing the information systems has been costly, and at the beginning they represented an additional burden for the municipalities, particularly during the first stages of the decentralization process. However, because of technical advances and strengthened institutional capacity, the local governments have been able to improve the systems while decreasing their costs.

Aside from the issue of targeting, an important current issue concerning social programs in Chile is how to realign the subsidies from the supply side to the demand side and the extent to which this should be done. This is particularly complex in the provision of health, where a large percentage of the target population depends on a centralized national health system. Discussions are currently oriented to the design of mixed service provision, whereby the beneficiary will be allowed to select where to seek service, which will be paid (totally or partly depending on the beneficiary’s income level) directly to the institution providing the service.

A major reason for the effectiveness of the government’s social programs is the presence of a leading institution for policy change, Chile’s National Planning Office, which took the leadership role in designing the implementation of the economic and social principles and policies applied by the new government. Such leadership included developing methodologies for cost-effectiveness analysis to be followed by all public agencies and designing and implementing an information system for targeting social assistance programs. Targeting to the poor and improving the coordination of social projects implies the use of two types of information systems: one to identify beneficiaries and the other to evaluate the social programs. The latter is a key instrument for designing policy and for establishing priority needs and programs.

Another important feature of the reforms has been the training of senior and mid-level officials. The authorities achieved this by creating a scholarship program to send students abroad to study in several disciplines and by developing well-designed training programs in Chile. They also provided training to municipal officials of the twelve regions. The result was a core of well-trained professionals, distributed nationwide, that facilitated the government’s preparation, planning, and implementation of the reforms.

**Lessons Learned**

In summary the main lessons that have emerged from Chile’s experience are as follows:

---

| Table 6. Annual cost per beneficiary for the basic and reinforced CFP and the school feeding program, 1990 (U.S. dollars) |
| --- | --- | --- |
| Beneficiary | Basic CFP | Reinforced CFP |
| Children age 0-<1 | 81 | 107 |
| Children age 1-<2 | 32 | 105 |
| Children age 2-5 | 27 | 80 |
| Pregnant women | 44 | 78 |

| Table 7. Coverage of urban and rural potable water and sewage services, selected years (percentage of all households) |
| --- | --- | --- |
| Urban | Rural |
| Year | Potable water | Sewage | Potable water |
| 1960 | — | — | 9.5 |
| 1965 | 54 | 25 | 12 |
| 1970 | 67 | 31 | 34 |
| 1975 | 74 | 45 | 35 |
| 1980 | 91 | 67 | 44 |
| 1985 | 95 | 75 | 69 |
| 1990 | 97 | 83 | 86 |

---

*Source: Secretaría de Desarrollo y Asistencia Social, Políticas e Instituciones para Erradicar la Pobreza (Santiago: Secretaría de Desarrollo y Asistencia Social, 1990).*
Strong leadership is needed that can articulate a clear set of objectives and a strategy. To achieve the objectives requires a solid blend of economics and technical skills so as to be able to communicate effectively with the government's economic team. For effective targeting the government must be able to identify and capitalize on the complementarities among the various programs.

The design and implementation of targeting takes time. Decentralization and "municipalization" requires legal changes and budgetary adjustments. Efficiency and equity problems cannot be resolved with quick, superficial fixes. Instead they often require large institutional changes that result in new roles for central government bureaucracies and changes in the way social services are financed and operated.

In primary health care, the authorities should emphasize linking maternal and child health programs with growth monitoring and food supplementation measures, paying special attention to the group at risk. These interventions, coupled with a significant increase in the coverage of potable water and sewage handling facilities, were key factors behind Chile's record declines in infant mortality and morbidity, undernutrition, and maternal mortality.

Continuity in the reform process is important. Chile's success is a result of strong government commitment to overcome setbacks and pressure exerted by interest groups. Reforms are difficult and in Chile's case required considerable negotiation, trial and error, and corrections.

Targeting of social programs and decentralizing their implementation is bound to raise strong resistance among those currently employed by the system and will probably involve higher fiscal costs in the short term. Some employees will be made redundant; others will be asked to relocate; and many will become employees of a municipality, facing an uncertain future with a totally new set of employers at the local level. The government might have to pay for early retirement by many employees and for the relocation costs of others.

Local institutions like municipalities and the private sector can play a significant role in poverty alleviation strategies by providing health and nutrition services in coordination with other programs. This will avoid the duplication of programs and benefits.

Two types of information systems are needed for targeting and for improving the coordination of social projects, one to identify beneficiaries and another to monitor the impact of social programs. The latter is key for designing policy and for establishing priority groups and programs.

Zimbabwe: From Relief Feeding to Food Production

Zimbabwe, while able to show improvements in children's nutritional status since the 1980s despite economic setbacks and drought, remains a country with unacceptably high levels of stunting (low height-for-age). This is particularly disappointing given its earlier status as a food exporter in normal agricultural years. Factors contributing to the continued levels of malnutrition include individual household poverty, seasonal food shortages and concomitant preharvest increases in infectious disease, a decline in per capita maize production, heavy work loads for women, lack of exclusive breastfeeding among infants six months and younger, and lack of knowledge about optimal feeding patterns for young children.

In response, two of Zimbabwe's most important nutrition initiatives have been the national Children's Supplementary Feeding Program (CSFP) and the Community Food and Nutrition Program (CFNP). The government started the Children's Supplementary Feeding Program in 1981 to provide emergency relief to children in drought prone areas. The CSFP attempted to avoid some of the dependency-creating aspects of most supplementary feeding programs by using locally grown food and including nutrition education. In an even larger step in this direction, the phasing out of the CSFP and its replacement by a program designed to enhance local growing of the supplementary foods, the CFNP (originally called the Supplementary Food Production Program), was started by 1982. However, during the 1992 drought the authorities reinstated the CSFP on a much larger scale than before.
Children's Supplementary Feeding Program

The CSFP was a cooperative effort between governmental and nongovernmental agencies operating under the umbrella and direction of the Ministry of Health. A national working group was set up with representatives from relevant ministries and voluntary organizations. In the provinces the provincial medical officers of health set up committees with intersectoral representation from within the Ministry of Health (for example, environmental health, health education, maternal and child health, nursing, and nutrition) and other relevant sectors, such as lands, agriculture, and water development, and NGOs operating in the area. At the district and village levels, the CSFP relies heavily on community participation, with local committees composed of health workers, school teachers, community development workers, and women’s advisors. Parents in the villages where feeding points are established select a feeding point-committee to run the program, with the committee responsible for developing a duty roster to ensure that feeding occurs on a daily basis and that the work load is shared. During the 1992 drought the authorities developed a manual to enable extension workers (particularly village health workers) to help the community implement the program.

Implementation. Following the selection of high-need areas based on a variety of nutrition surveillance data, one- to five-year-olds are chosen for supplementary feeding using mid-upper arm circumference measurements (circumference of less than 13 centimeters). Meals are based on local foods—maize meal, beans, groundnuts, and oil—and are planned so as to provide approximately one-half of the daily energy requirements of the one- to two-year-olds and one-third of the daily energy needs of the three- to five-year-olds. The cost per beneficiary per month is approximately US$1.45.

During the 1992 drought, the country was divided into three zones based on clinical malnutrition and crop forecast data. This categorization facilitated the early targeting of assistance resources to the most needy areas. The program rapidly reached more than 1 million beneficiaries because of the existence of CSFP intersectoral committees at the national, provincial, and district levels. The authorities further streamlined the work of these committees by establishing a task force of relevant ministers under the chairmanship of the vice president and creating a full-time secretariat to oversee the day-to-day running of the program. Six working groups were established to facilitate program planning and implementation that were responsible for the following activities: (a) nutrition program monitoring and evaluation; (b) training; (c) community mobilization; (d) information, education, and communication; (e) procurement and resource mobilization; and (f) transport and logistics.

Impact. Evaluation of the feeding program in 1981 documented a weight gain by children in the program twice that of children in a control group, and with children that obtained thirty or more supplementary meals having a threefold weight increase when compared to their contemporaries. Perhaps more important, the number of families who stated their desire to grow groundnuts for home consumption in the following agricultural season almost doubled, from 45 to 80 percent of families. In addition, the establishment of the Community Food and Nutrition Program minimized growth faltering after the feeding program was terminated.

More recent evaluation of the program’s impact during the 1992 drought indicated that while the incidence of malnutrition in children under five increased in 1992, six months after the feeding program began the levels of malnutrition had decreased in all the provinces. In October 1992, 2 percent of children had severe malnutrition and 5 to 7 percent had moderate malnutrition based upon mid-upper arm circumference measurements. When the survey was repeated in April 1993, a nondrought year, the levels remained the same. More than 70 percent of children under five were receiving supplementary meals at the time of the second survey.

Among the strengths of the program is its progression from a focus on relief efforts to an emphasis on education, along with its capacity to reach even the most remote areas and feed children at, or close to, their homes. Structurally, the flexibility of building upon grassroots organizations at the district level provided the greatest
degree of personal commitment and management responsiveness.

Lessons Learned

Experience with the CSFP demonstrated that the following program elements are required to implement emergency relief activities successfully:

- Ensuring political commitment and being willing to mobilize resources
- Implementing intersectoral collaboration and coordination using existing structures
- Encouraging community participation in and ownership of the program
- Providing clearly defined program implementation guidelines and training and orientation for all key implementors at all levels
- Instituting appropriate collection and use of food security and nutrition status data for targeting purposes
- Incorporating community coping strategies into future preparedness plans
- Recognizing the crucial role of village community workers in mobilization, program implementation, community training, and program monitoring
- Communicating the basic message about local availability of food commodities for providing children with adequate nutrition.

Community Food and Nutrition Program

The authorities implemented the CFNP to address chronic malnutrition by mobilizing villagers to grow nutritious foods (groundnuts, beans, and vegetables) in community gardens and rainfed plots or by raising poultry or rabbits in areas where water is a constraint. In many cases, projects are linked to day care, growth monitoring, and special feeding sessions for children identified as malnourished. The authorities have initiated more than 3,000 CFNP projects, with 10 to 200 participants per project.

The CFNP effectively makes more land available to the poorest farmers and places them in working contact with more successful farmers for the transfer of farming techniques. The government extension service is attracted to the community plots because working with existing cohesive groups is efficient. Community decisionmaking and collective self-reliance are two primary foci of the program, with the long-term objective being to develop a village-level capacity to identify and correct the causes of malnutrition, particularly among children age five and younger.

Program Management

A major emphasis of the program has been close attention to project management. Chaired by the Ministry of Agriculture Extension Service, the intersectoral National Steering Committee for Food and Nutrition provides leadership for the program. At provincial, district, and ward levels, similarly composed food and nutrition management committees are responsible for managing the program. At all but the national level, these committees have been institutionalized as development subcommittees, and serve as an entry point for placing nutrition on the development agenda, at least in the provinces.

These committees have run well because of an early definition of the roles of each sector in the program. A management handbook describes these agreed roles, and is used as the basic tool for intersectoral training of the committees. As it is now viewed as an integral part of each sector’s work plans, the CFNP does not disrupt other duties. At the ward level, contact with villages is maintained through a nutrition coordinator.

No development committee exists at the national level, although the State Planning Agency may eventually fulfill this role. In the meantime, the National Steering Committee for Food and Nutrition lacks executive powers and must depend upon the good will of each sectoral ministry and the personal commitment of the committee members.

Project Implementation

The authorities use data from clinic-based nutrition surveillance (weight-for-age) and other nutrition surveys and reports and information from other sectors to identify communities with high levels of malnutrition and poor household food security. Extension workers discuss the situation with the leadership of each community and explain the program’s objectives and how the villagers can actively participate in addressing malnutrition. The community, with the technical advice of the agricultural extension worker, decides on the pro-
project it wishes to undertake. The request for inputs is transmitted through the district to the province.

Families in the village work together to produce food communally, primarily to be fed to children under five. The production package consists of groundnuts and beans for rainfed plots and gardens and small stock. The families appoint a committee that plans the work roster and manages the group’s activities. Parents organize the group feeding of children under five in the project and those referred by the clinic or outreach sites five times a week.

The key messages communicated to project participants are as follows:

- The importance of food preparation, hygiene, and storage.
- The importance of using energy dense food in each meal.
- The group feeding meal is a supplement to, not a substitute for, other meals provided at home.
- The child needs to be fed at least four times a day with cereals, beans, groundnuts, oil, and vegetables.
- The mother should continue breastfeeding until the child is at least eighteen months old.
- The child needs to be fed during illness.
- The child with diarrhea should be given salt and sugar solution and continue to be fed.
- The child should eat from his or her own separate plate.
- The child should be weighed regularly to assess growth.

The nutrition education messages are integrated into the training of all extension workers at the village level, and they are expected to relay this message to project members within the context of their sectoral activities. Practical demonstrations have been encouraged as the best method of education.

An ongoing monitoring system is in place, with standardized assessment forms completed for each project that contain detailed information, including the number of recipients, the types of projects, and so on. Each province submits quarterly and annual progress reports that are the basis for the disbursement of funds.

Impact

A 1989 evaluation of the previous four-year period found significant progress in developing a management system, in raising awareness of nutrition issues at all levels, and in securing community support for and participation in projects. Further achievements of the program include the following:

- Increased awareness of the potential role of sectors other than health in alleviating malnutrition.
- Greater involvement by staff in key development sectors such as agriculture in Zimbabwe’s nutrition programs.
- Enhanced integration of nutrition issues in other development activities. For example, the Water Development Program systematically promotes small-scale gardens at primary water points in rural areas, and the Agricultural Department is incorporating basic food requirements for a family of six in its land use planning exercise.
- Heightened appreciation by key policymakers of the need for a national food and nutrition policy to institutionalize intersectoral coordination and collaboration.
- Increased promotion of community awareness of food and nutrition problems and the potential for addressing them using local resources and limited external assistance.
- Strengthened community self-reliance and reduced dependence on direct food aid.

India: Tamil Nadu Integrated Nutrition Project

If hunger is the worst consequence of poverty and malnutrition is the worst consequence of hunger, then according to Lipton, the fight against poverty is “first and foremost a fight against nutritional risk.” Projects that address hunger therefore have to steer resources to the very poor, avoiding trickle up, and ensure that their extra income is converted into calories for those at risk of malnutrition. The Maharashtra Employment Guarantee Scheme described earlier is one of the best examples of a project designed to do both. However, income gains reaching the poorest families may still fail to raise the calorie intake of the two groups most vulnerable to nutritional stress: children under two and pregnant and breastfeeding women. The Tamil Nadu Integrated Nutrition Project (TINP) typifies a highly targeted effort to reach
those in the vulnerable groups at demonstrable risk of malnutrition.

Tamil Nadu's poor nutritional profile is not commensurate with its relatively better position among Indian states in respect of many other indicators of development. Although the state has comparatively lower birth and infant mortality rates and a higher literacy rate, it is among the worst off states in terms of average calorie consumption (table 8).

In the late 1970s about twenty-five different nutrition programs were operating in Tamil Nadu at an annual cost of Rs 162 million (approximately US$15 million). However, fewer than 10 percent of the groups identified as the most vulnerable were actually receiving benefits from these programs. The reasons for the programs' limited success are as follows:

- They did not reach the intended beneficiaries because feeding was done on a drop-in basis rather than aimed at those who were identified as being at risk.
- Most programs did not cater adequately to the nutritionally most needy group, those under three years of age.
- The food distributed tended to substitute for rather than supplement food normally consumed at home.
- Family members usually shared take-home rations, thereby diluting the impact on the intended beneficiary.
- Most programs placed little emphasis on nutrition education even though food habits were a major determinant of nutrition status in Tamil Nadu, particularly of children being weaned, whose growth faltered dramatically across all income groups.
- Existing maternal and child health services were inadequate.

Thus, the government's main concern was to design a program that would avoid these common pitfalls of nutrition programs. The large numbers to be covered and the potential difficulties of broad intersectoral collaboration necessary for a large project were daunting. Project activities were confined finally to those components the government thought were likely to have the greatest impact on nutrition status: health services and nutrition education with a core of nutrition services, including growth monitoring and selective nutrition supplementation.

**Project Goals**

The TINP's overall goal was to improve the nutrition and health status of preschool children, especially those under three, and of pregnant and nursing women. Its objective was a 50 percent reduction in the prevalence of severe and moderate protein-energy malnutrition, estimated at about 60 percent among preschool children. In addition, the project aimed to reduce the infant mortality rate (then 125 per 1,000 live births) by 25 percent, reduce the proportion of children under five showing signs of vitamin A deficiency from about 27 to 5 percent, reduce the prevalence of nutritional anaemia among pregnant and nursing women from about 55 to 20 percent and increase the provision of antenatal services and trained attendance at deliveries from about 50 to 80 percent.

**Project Coverage**

The TINP covered about 40 percent of the state's rural population, 17 million people living in 10 of the state's 22 districts. After an initial year-long trial in one block (an administrative unit with a

---

**Table 8. Indicators for selected states, various years**

<table>
<thead>
<tr>
<th>State</th>
<th>Birth rate, 1989 (births per 1,000 people)</th>
<th>Infant mortality rate, 1990 (deaths per 1,000 live births)</th>
<th>Female literacy rate, 1991 (percent)</th>
<th>Annual per capita income, 1987 (Rs)</th>
<th>Daily per capita calorie intake, 1988 (kcal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>26</td>
<td>70</td>
<td>34</td>
<td>2,333</td>
<td>2,401</td>
</tr>
<tr>
<td>Gujarat</td>
<td>29</td>
<td>72</td>
<td>48</td>
<td>3,636</td>
<td>2,608</td>
</tr>
<tr>
<td>Karnataka</td>
<td>29</td>
<td>71</td>
<td>44</td>
<td>2,802</td>
<td>2,592</td>
</tr>
<tr>
<td>Kerala</td>
<td>20</td>
<td>17</td>
<td>87</td>
<td>2,371</td>
<td>2,203</td>
</tr>
<tr>
<td>Orissa</td>
<td>30</td>
<td>123</td>
<td>34</td>
<td>1,983</td>
<td>2,700</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>23</td>
<td>67</td>
<td>52</td>
<td>2,580</td>
<td>1,910</td>
</tr>
</tbody>
</table>

population of about 100,000 people), the project expanded at the rate of 35 blocks per year to cover a total of 173 blocks at the end of five years. A community nutrition center housed in a rented dwelling was opened in every village of approximately 1,500 persons. A total of 9,000 such centers were opened, each staffed by a community nutrition worker and a helper. They were responsible for monitoring growth; selecting children for feeding; distributing the nutrition supplements; organizing people to participate in health activities; and providing nutrition education through demonstrations, house visits, and the organization of women's groups.

Nutrition Services

Nutrition services, the core of the project, centered around monthly growth monitoring of children. Short-term supplementary feeding was provided for those found to be malnourished, those showing signs of growth faltering, and selected pregnant and nursing women. All children under three received deworming medicines and a mega dose (200,000 international units) of vitamin A twice a year. Daily iron folate tablets were provided to pregnant women for three months. Intensive counseling was given to mothers to improve the home care and feeding of children. Education on the home-based management of diarrhea with fluids and feeding was an important component of the nutrition strategy.

Children were enrolled in the supplementary feeding program only if they were at risk, that is, if they were identified as severely malnourished or if their growth pattern faltered, indicating incipient malnutrition. While children in Grades III and IV of malnourishment were admitted to feeding immediately when their malnutrition was detected, those losing weight or failing to gain weight (in Grades II, I, and normal) were admitted to feeding only after two successive weighings (thirty days) in the six- to twelve-month age group, and four successive weighings (ninety days) in the twelve- to thirty-five-month age group. Enrollment in feeding was accompanied by intensive education about nutrition for the mothers of these children. The project provided feeding for a limited time (ninety days) only. Those who had gained at least 500 grams over three months exited from the feeding program. Children who did not gain adequate weight during this period were referred for medical evaluation and treated for any illness detected.

Pregnant and nursing women were also selected for feeding on the basis of any of the following objective criteria:
- Having a child enrolled for supplementary feeding
- Lactating simultaneously with pregnancy
- Being of fourth or higher parity
- Having edema
- Being a single mother
- Carrying twins.

These women received food supplements daily during the last trimester of pregnancy and the first four months after childbirth.

Health Care

Health care was intended to back up the nutrition effort. It included antenatal registration and care, tetanus toxoid immunization, deliveries by trained personnel, child immunization, and examination and medical care of children found sick or not gaining adequate weight. Coordination between health and nutrition workers was considered particularly important for malnourished children who failed to respond to therapeutic feeding.

Under the project the authorities strengthened the existing rural health system to provide improved maternal and child health services and preventive care. The supply of drugs and medicines to the block-level primary health centers was also augmented. The project constructed some 1,300 subhealth centers in the villages, each with an outpatient clinic and a place for the multipurpose health worker to live. Training facilities for multipurpose health workers were created or improved. As the government of Tamil Nadu had rejected the central government's community health guides' scheme, there was great potential for using community nutrition workers to improve the spread of primary care services, which were estimated to be reaching only 30 percent of villagers.

Communications

Communications were designed to familiarize families with and involve them in the project's
goals, encourage them to accept services, and influence them to perform activities at home to improve the health and nutrition of mothers and young children. The interpersonal communication skills of nutrition and health staff were strengthened by training. They were provided communication materials for use in the field and encouraged to produce materials of their own. A staff newsletter informed and motivated them. Mass media campaigns reinforced interpersonal communications. Films, radio spots, wall posters, advertisements, and folk theater were used. Villages were prepared to receive the project by having its objectives and design explained to village elders and opinion leaders. Communication materials were used to describe the activities. In the last week of the community nutrition workers' training, joint training with the multipurpose health worker was aimed at informing the community of and involving it in initiating the community nutrition center.

A key to winning community support were the women's working groups. These were groups of fifteen to twenty women identified by the community nutrition worker as progressive, capable of working together, and interested in the activities of the community nutrition center. The groups met once a month at a cooking demonstration where the community nutrition workers demonstrated nutritious and easy to make weaning food recipes. The community nutrition workers gave the women health and nutrition training, and some of the women became quite proficient in using flip books and flannel graphs to spread the health and nutrition messages to their neighbors. To sustain the interest of women's working group members, the project recently experimented with a community self-survey and with the "adoption" of several families by each group member.

Another recent innovation in the communications effort was the formation of children's working groups. The facility with which children communicate and the enthusiasm with which they learn and relay project messages through poems, songs, and skits has made this a highly successful activity.

A crucial communication strategy was the monthly growth monitoring session. Children's growth patterns were discussed and mothers were complimented for good growth. In the case of faltering, the community nutrition worker would suggest the causes of and remedial actions for faltering, and would follow up with home visits to continue the mother's education. Graduation from feeding provided ample demonstration of the effect of extra feeding on growth that could actually be seen on the growth card. Selective feeding was, therefore, a key communication strategy.

**Monitoring**

The project design included a monitoring system, planned evaluation, and the conduct of special studies. The management information system was designed to measure project benefits in terms of improved maternal and child health and nutrition and to document the process by which these gains occurred (or did not occur).

The monitoring system was based on three important principles:

- Collect only what information is needed, not what is possible.
- Devolve responsibility for data interpretation and remedial action to the lowest possible level.
- Manage by exception.

**TINP's Achievements**

Independent mid-term and final evaluations of the project found an impressive improvement in children's nutrition status. Severe malnutrition had been reduced by 25 to 55 percent in different blocks depending upon the duration of the project. There had been a corresponding shift in the proportion of children in the better nutrition grades, indicating an improvement in the entire population of children from newborns to age three. The proportion of children in feeding at any time (children fed/children registered) declined from 40 percent to 25 percent. On average, 80 to 85 percent of children entered feeding for at least one ninety-day period. Fully one-half of these required only a single period of intervention to maintain healthy growth. Some 40 percent required two or more periods of supplementary feeding and a group of from 5 to 10 percent required almost constant feeding, never emerging from the lower grades of undernutrition.

Thus, each child in the community received personalized attention and supplementary feeding when required, at a cost equivalent to feeding
Lessons Learned

The project demonstrated that it was possible to have a substantial impact on malnutrition within a context of low economic levels and with the assistance of community-based nutrition workers. At a cost of US$9 per child per year (and an effective transfer to the household of about US$3 on average per child per year), the relative cost-effectiveness of the project’s approach as compared to direct transfers to the household may be called in question. However, a number of studies have confirmed that the income elasticity of demand for calories is less than one even in the lowest income groups. Furthermore, the evalua-

only 25 percent of children at any one time. Some 2.4 million children participated in the TINP project. The total cost of the project, including food, salaries, construction, and administration, was US$26 per beneficiary, or roughly US$9 per child per year. Of course, this notional calculation does not consider the extensive benefits the program provided to other children in the community.

Evaluation also found the nutrition benefits of the project were long lasting. Children in the thirty-seven- to sixty-month age group who had been in the project enjoyed better nutrition status than their counterparts in other communities who had not. The final evaluation estimated that the project had reached 77 percent of children. The shortfall in coverage was caused by the community nutrition workers not covering outlying hamlets in less accessible areas of their villages adequately. This error is being addressed in the follow-on project (TINP-II).

The monthly weighings had been carried out regularly with a high degree of participation. More than 90 percent of enrolled children were weighed each month, and participation in feeding was almost 97 percent of those eligible. The proportion of children participating in feeding who were actually ineligible was 2 percent. Almost all mothers interviewed stated that the food supplement was palatable and readily acceptable to their child. Most reported little sharing of the supplement or substitution of home feeding. This was probably because of the close attention paid by the community nutrition workers; the on-site feeding; and the provision of the food supplement in the form of *ladoos*, a traditional snack.

Among the project’s disappointments was the poor enrollment of pregnant and lactating women in supplementary feeding, only 50 percent of those eligible. This low enrollment has been attributed to the inconvenience of daily feeding and to the fact that the health worker was made responsible for selecting pregnant women for supplementation. Cultural factors undoubtedly also played a part. The follow-on project allows selection by the community nutrition worker and take-home feeding for eligible mothers.

Evaluation also showed that while infant mortality fell throughout the project period, this was no more significant in the TINP areas than in the rest of Tamil Nadu. There was a clear decline in hospitalization for diarrheal illness, which seems to have been associated with earlier and better use of home sugar-salt solution. Immunization levels climbed to more than 80 percent throughout the state, associated with the national Universal Immunization Program. Other health services were found to have had rather low coverage. Coverage of children with biannual deworming was estimated to have been nearly 50 percent, while vitamin A supplements reached only one-quarter of children. This too was initially the responsibility of the health worker and was plagued by an uncertain supply of the liquid vitamin. It will now be given on a regular basis by the community nutrition worker. The referral of children to the primary health care system if they failed to gain weight during supplementation was poorly implemented and remedial actions were rarely, if ever, taken.

The communications component was evaluated largely through qualitative techniques. Substantial improvements were noted in mothers’ knowledge and home treatment of diarrhea as well as in their appreciation and acceptance of immunization. Unfortunately, little information was collected on the frequency and timing of breastfeeding or on weaning, although child feeding practices appear to have improved throughout the project area. Workers acknowledged the usefulness of the wide range of attractive and appropriately targeted communication materials. The training of project functionaries in communication skills was particularly noteworthy.
tions did not find that calorie adequacy at the household level was an acceptable proxy for calorie adequacy of individual preschoolers, although it might capture major calorie deficits in pregnant and breastfeeding women. Thus programs that improve income alone may or may not adequately reduce the risk of malnutrition in vulnerable groups. The TINP approach is successful in capturing this target group, although it reaches them in households both with and without energy deficits.

Niger: Komadougou Small-Scale Irrigation Project

The objective of the Komadougou small-scale irrigation project, funded by the International Fund for Agricultural Development as part of its Special Country Program in Niger, is to reduce the vulnerability of agriculture to drought and desertification. The project has been successful in alleviating hunger. This is all the more remarkable given the difficult implementation conditions of rural development projects in Sahelian countries in recent years.

Background

The Komadougou Valley Program owes its success in large part to the rapid expansion of a profitable cash crop: the Diffa green pepper. Like many other success stories in African rural development, the project builds on locally initiated development processes that have been further supported and enlarged through people's participation.

The Komadougou River, which flows from July to December and feeds a complex system of sixty ponds and secondary branches along its valley, marks the border between Niger and Nigeria 150 kilometers upstream of Lake Chad. Approximately 30,000 inhabitants of the district of Diffa live along the northern bank of the Komadougou River and around the ponds, where they practice a mixed rainfed (millet and cowpeas on 1.0 to 4.0 hectares per household) and irrigated (green peppers, wheat, corn, and cowpeas on 0.2 to 1.0 hectares) agriculture.

The area has suffered from a drastic reduction in the level of rainfall, from an average of 350 millimeters per year in the 1950s to 225 millimeters per year in the 1980s. The rainfed millet, which was once the main food source of the local Manga and Mober populations, is now a highly uncertain crop. During the last twenty years the district has suffered from intermittent drought that has sometimes wiped out the millet harvest. Depending on the amount of rainfall, this crop now provides no more than 20 to 40 percent of the annual cereal requirements of farm households in the Komadougou valley. A number of farmers living by the river have even gone so far as to abandon dune millet cultivation altogether. Simultaneously, a reduction in the level and duration of the river flow has also affected the traditional cultivation of floating rice. Consequently the 3,000 to 4,000 hectares of small-scale irrigation is now the most important and secure farming activity in the valley.

Irrigation permitted a major evolutionary step in the local farming system with the introduction of green pepper (Capsicum annuum) cultivation in the 1950s and its subsequent expansion in the 1980s. By 1990 the area given over to green pepper production covered some two-thirds of the total irrigated area. This cash crop has a large demand in the urban centers of Nigeria and Niger, and thus enjoys a good market price. As the cultivation of green peppers has spread, so farm households in the Komadougou valley have increasingly met the structural cereal deficit by purchases from Nigeria financed by the sale of the cash crop.

In this context, poverty and hunger are directly dependent on access to irrigation facilities. Farmers encounter three main constraints to the development of irrigated agriculture: first, the recurrent drying up of ponds before the end of the vegetative cycle (the river frequently dries up in December and most of the ponds dry up in January, whereas the green pepper fructification lasts until the end of February), second, the lack of credit facilities to purchase motorpumps, and third, the intermittent infestation by pests and diseases.

Project Design

Formulated in the mid-1980s, the project has aimed at countering some of the most deleterious effects of drought conditions through a twofold physical target:
Lessons of Experience: Twelve Case Studies 199

To improve forty-one natural reservoirs fed by the Komadougou River, including constructing one or more retention dikes, deepening natural feeder canals, and building inlet structures. Irrigation infrastructure around these reservoirs would include individual small pumps, shadoof (person-operated traditional water-lifting system) irrigation, and collective schemes that would irrigate a total of 870 hectares, including an incremental area of 100 hectares.

To rehabilitate twenty irrigation schemes pumping directly from the Komadougou River and providing a complementary supply of groundwater through boreholes. These schemes would serve principally as a test to determine the feasibility of groundwater irrigation.

The total of improved or incremental irrigated areas would amount to 950 hectares. These works would be complemented by extension services and credit delivery for irrigation equipment and agriculture inputs. Altogether, estimates indicated that some 2,400 farming families (1,760 individuals) would benefit from the project.

Project Implementation

Five years after start-up and one year before completion the 35 villages where some 2,300 farmers live have directly benefited. The number of indirect beneficiaries, such as traders and herders, is unknown, but is probably significant. Twenty-seven pond systems have been developed. The average unit price of the reservoir developments has been less than expected, largely because of participation by the beneficiaries in the earth moving works on a volunteer basis. The irrigated area originally covered by the reservoirs was estimated at 520 hectares of individual plots, but has increased by more than 50 percent in the last five years. The average investment cost per hectare for this incremental private irrigated area (water retention concrete infrastructure provided on a grant basis, small motorpumps and mobile pipes on credit) is less than US$1,800, among the lowest in Niger.

The project has delivered 350 small gasoline motorpumps and 1,960 mobile pipe elements to individuals or small groups (of between two to five members) on a three-year credit basis. This credit program has allowed access to motorpump ownership by about 1,000 farmers in 26 villages. Until now, the reimbursement rate has been 100 percent, a remarkable result in the context of Sahelian Africa, and the demand for new motorpumps is still increasing.

Fourteen collective irrigation schemes with concrete covered canals, most of them pumping in the improved reservoirs, have been developed on a total of 165 hectares (average size of schemes is 12 hectares) benefiting 640 farmers with an average plot size of 0.25 hectares. These self-managed schemes are cultivated with green peppers, paddy, or wheat, depending on the soils. The management performance contrasts with that of the state-owned and cooperative schemes. The average investment cost for the eleven schemes exploiting surface water in the ponds is US$3,500 per hectare, a reasonable cost for these kind of works. The cost of the pumping devices has been reduced considerably in the last two years by replacing large diesel motorpumps, which were difficult to maintain because of the lack of spare parts on the local market and which cost US$1,800 per hectare, with small gasoline pumps, which the farmers prefer and which are easy to maintain and replace, at a cost of US$300 per hectare. Given the lack of banking institutions in the area, the financial amortization of big collective pumping devices is difficult and farmers' groups have begun to buy small pumps to replace such equipment progressively.

The idea of providing a complementary supply of groundwater through the experimental boreholes has been abandoned after the building of six boreholes on three schemes because of the prohibitive investment (US$14,000 per hectare) and operating costs of this technique.

Although the potential of the reservoirs' development has not yet been fully realized, the overall effect on irrigated area expansion is, nevertheless, greater than expected. The net increase in irrigated area is estimated at 300 hectares of individual plots and 100 hectares of collective schemes. This total of about 400 hectares of irrigated land expansion exceeds by far the initial objective of 180 hectares. The individually irrigated area is rapidly increasing because of the net increase in water availability in the reservoirs after the fall of the water level in the river and the supply of motorpumps and pipes to individual farmers on credit.
Project Impact

A visible effect of the rapid expansion of motor-pump adoption is the complete disappearance of the *shadouf* in participating villages. The credit program for providing the small motorpumps not only permits an increase in the irrigated area, but also reduces the percentage of farmers renting pumps, the poorest category of farmers in the valley. The cash incomes of motorpump owners are actually three to four times higher than those of farmers renting their equipment (the rental charge is a third of the harvest). A survey conducted in 1990 showed that the average net cash incomes from green pepper production varied from US$911 per year for farmers that owned their pump to US$293 per year for farmers that rented their pump. As the project provided most pumps to small groups averaging three farmers, and assuming that most of the 1,000 buyers were previously renting their pumps or using a *shadouf*, an average cash income increase of 100 percent after credit repayment appears to be a reasonable estimate of the effect on this poorest category of beneficiaries.

In most reservoirs the duration of water availability has been increased by one to two months, irrigating some 940 hectares and allowing completion of the green pepper vegetative cycle, resulting in an increase in yields. Progress in yield terms is, however, difficult to evaluate, and is probably inferior to expectations because of the poor quality of the extension services in the area and the lack of a pest control program. However, on the collective schemes rice yields are good at 4.7 tons per hectare.

In terms of food security, and given the availability of cereals on the nearby Nigerian market, green pepper production appears to be the best option for the farmers of the Komadougou valley. For example, on a single hectare of irrigated land, and given average yields and production costs, the net return for cereal production is estimated at 1.0 tons for wheat and 2.8 tons for paddy (1.8 tons of rice). The net cash income on the same area cultivated with green peppers amounts to US$ 1,000, corresponding to more than 4.1 tons of millet at the average Nigerian market price. Estimates indicate that local households purchase at least 50 percent of their cereal requirements.

Although this small irrigation development subprogram is not yet complete, it shows the following clear signs of success:

- The beneficiaries have participated actively in the development works.
- The collective schemes are self-managed and functioning relatively well.
- The farmers are supporting full operating costs with the exception of heavy infrastructure amortization.
- The incremental irrigated area has surpassed initial objectives and has proved to be cost-effective.
- The farmers continue to demand new reservoir developments, credit facilities, and collective schemes.
- The credit provided is being fully repaid.
- The farmers' cash incomes have increased significantly and could be higher still.

Lessons Learned

The project’s achievements are partly due to a particularly favorable context for the development of irrigated agriculture: the quality of the water and soils, the access to a large market in Nigeria for the sale of outputs and for input purchases, the favorable relative prices, and the widespread knowledge and tradition of small irrigation in the area. In this context, the willingness of local farmers, the appropriateness of the subprogram’s design, the quality of the local staff, and the overall participatory and flexible approach adopted have resulted in remarkable progress toward food security and a better standard of living in the Komadougou valley. The irrigated production systems still have plenty of potential for improvement, especially in terms of improving green pepper yields through controlling pests, improving cultivation techniques, applying fertilizer, and so on; improving marketing practices through better exploitation of the seasonal price variations by providing credit for storage and marketing; diversifying irrigated crop production; and developing transport facilities, for example, through providing credit for ox carts and upgrading secondary rural roads.

The interim evaluation underlines three substantial issues that must be considered if a second program is to be undertaken to consolidate and build upon what has been achieved to date, namely:
• The credit delivery service is still dependent on the program staff. A local credit and savings institution should be developed.

• Pests and diseases, including nematodes, may continue to breed if nothing is done in terms of diversifying crops and facilitating access to pest control inputs.

• The sheer profitability of green pepper cultivation might lead to overexploitation of the water resources in existing reservoirs as the number of private motorpumps increases. Villagers should be clearly informed about the total irrigation capacity of each pond and adopt rules to avoid excess pumping.

Provided that these issues are adequately addressed in the years to come, one can conclude that this subprogram has ameliorated the food security of the poorest households and lessened the risk of hunger in the project area. The project’s overall rate of return and the replicability of such a program need to be carefully assessed before any final conclusions can be reached. Furthermore, the effects of pond development on the river discharge should be monitored to avoid a negative impact on flood recession crops downstream.

Notes


2. This section was provided by FINCA International, Inc., 901 King Street, Suite 400, Alexandria, Va. 22314, U.S.A.

3. This section was provided by Freedom from Hunger, 1664 DaVinci Court, P.O. Box 2000, Davis, Cal. 95617, U.S.A.


7. This section was provided by The Aga Khan Foundation, 8-Aga Khan Road, F-614, Islamabad, Pakistan.

8. The International Fund for Agricultural Development provided this section.

9. Gaurav Datt prepared this section.


11. Laura Tuck and Kathy Lindert wrote this section.

12. Population is ranked by expenditure per capita per year, which is used as a proxy for income throughout the analysis. In 1990, the poorest income group, with annual per capita expenditures of less than $250, represented 13 percent of the population, while the richest included those 13 percent with an annual per capita expenditure greater than $1,200.

13. Institut National de la Statistique, Household Expenditure Survey (Tunis: Institute National de la Statistique, 1985). Intake is derived from purchased subsidized products only and excludes on-farm consumption.

14. Direct assistance schemes include the Needy Families Program and the Union Tunisienne de Solidarité Sociale, which is responsible for low-income food ration programs and cash transfers to the elderly and handicapped. These programs are small compared to the CGC program and could not compensate the poor for an elimination of food subsidies.

15. Anna Sant’Anna and Jean Jacques De St. Antoine wrote this section.

16. Isabel Vial and Alberto Valdes wrote this section.

17. For information about these programs see T. Castañeda, Combating Poverty: Innovative Social Reforms in Chile during the 1980s (San Francisco: ICS Press, 1992).

18. Julia Tagwireyi wrote this section.


20. Jayshree Balachander wrote this section, which is reproduced in part from Jayshree Balachander, “Tamil Nadu’s Successful Nutrition Effort,” Reaching Health for All, eds. Jon Rohde, Meera Chatterjee, and David Morley (Delhi: Oxford University Press, 1993).

21. Severe malnourishment corresponds to Grades III and IV in the classification of the Indian Academy of Pediatrics, which uses the Harvard weight-for-age standard, that is, 81 percent and above is median to normal, 71 to 80 percent is Grade 1, 61 to 70 percent is Grade II, 51 to 60 percent is Grade III, and under 50 percent is Grade IV.

22. Children younger than 24 months received a food ration containing approximately 140 calories and 6 grams of protein a day. Those between 24 and 36
months, severely malnourished children, and mothers received double this amount daily.

23. This section was provided by the International Fund for Agricultural Development.

24. It is worth mentioning in this respect the recent decision by the U.S. Agency for International Development to help the Government of Niger meet its counterpart funding obligations.
Appendix 4

Ending Hunger Soon: Concepts and Priorities

At least 700 million people do not have access to sufficient food for a healthy and productive life. This is despite the existence of sufficient global food supplies to cover their minimum needs. The world now produces more food per capita than it did a decade ago. Of course, even if current supplies can, in theory, match current minimum needs, the adequacy of future supplies is not assured. Seeking to match the food supply with the demands of a fast-growing world population is a huge task. However, the problem is that hunger is not just about the food supply. Trying to guarantee a minimum diet for today's hungry even when the food is available is just as great a challenge.

Hunger exists because poor people cannot gain access to available food. This occurs at all levels: food may be available at a global level, but individual countries can go short; sufficient food may be available on the market at national or regional levels, but some households go hungry because they cannot purchase it; sufficient food may be available at a household level, but some individuals go hungry because they do not have access to it. Hunger is therefore as much about access as it is about supply. Undernutrition and starvation can occur in the midst of plenty.

While hunger is thus first and foremost a humanitarian concern, it is also a development issue. Low labor productivity and limited purchasing power impair the ability of hungry individuals to capitalize on the benefits of many development investments. This, in turn, compromises the success of such investments. If constraints to the production of and access to food are different for different groups of people, then policy and project interventions should be tailored to the location- and income-specific needs of such groups. It is therefore useful to separate out and address the issue of hunger as a major element (both a symptom and a cause) of broader problems of poverty and food insecurity.

This paper begins by presenting a conceptual framework for understanding the linkages between hunger, poverty, and food insecurity at both macro and micro levels. This is followed by a review of the characteristics and causes of hunger. Finally, the paper considers priority policies and programs for reducing hunger and for bolstering household efforts at coping with hunger and food insecurity.

Conceptual Framework

A clear distinction must be made between hunger and food security. Hunger—largely an advocacy rather than a scientific term—is defined here as an individual's inability to eat sufficient food in
terms of calories and nutrients to lead a healthy
and active life. Hunger is a recurring feature of
absolute poverty that has long-term (chronic),
short-term (acute), and seasonal (transitory)
dimensions. Food insecurity leads to, and is often
characterized by, hunger, but food security is not
just the absence of hunger. It is about the absence
of risk relating to adequate food consumption.
Food security can be defined as secure access by
all people at all times to the food required for
them to lead a healthy life. While food is the
defining focus of the concept, the risk of individ-
uals and households not being able to secure
needed food is key. The risk of constrained access
to food can arise from many causes, such as
absolute shortages in the supply of food, which
are often the result of climatic vagaries or natural
disasters; inaccessibility of available food
because of political (war) or economic disrup-
tions; or massive income collapse associated with
disruptions in labor or food markets.

Hunger is perhaps the most obvious manifes-
tation of food insecurity resulting from a complex
combination of these factors, compounded by
institutional and policy failure. In other words, it
is a combination of the degree of poverty, the
degree of risk of failing to secure local food and
income, and the chance of receiving external assistance that defines food insecurity.

Institutional capabilities and the capacity of
policy to respond in a timely manner to crises are
essential to prevent hunger from materializing on
a large scale. It is a failure of policy to deal appro-
priately with demographic, environmental, pro-
ductivity, and political pressures that makes
some segments of society and some regions more
vulnerable to hunger than others. Wars and civil unrest may become partially endogenous to these
determinants of vulnerability over time. Strate-
gies for ending and preventing hunger must,
therefore, build on a recognition that institutions
and their policies (and their constraints) play a
key role, and that long-term forces are as relevant
as short-term forces.

The most important institution at the micro
level—the household, with its complex internal
organization and diverse macro-level linkages—
must figure prominently in the analysis of
hunger, especially where state institutional capa-
bilities remain weak. However, the failure of pub-
lic action must not lead to advocacy for reliance
on household "coping," the cost of which usually
includes suffering. Limitations to effective mar-
ket-based actions against hunger in many famine
prone countries and/or those undergoing policy
reforms suggest a continued need for improving
the role of public action.

Poverty, Policy, and Hunger

Figure 1 portrays some of the long-term relation-
ships between causes and symptoms of hunger.
Poverty, including the associated vulnerability to
natural or man-made shocks, is a root cause of
hunger. Yet poverty and its dynamics may be
seen as an endogenous outcome of limited
resources and flawed policies. Endogenous and
exogenous relationships are conceptualized at
different levels of analysis. The figure traces
broad interactions between root causes such as
policy failures (including war), resource poverty
and climatic disruptions, and population growth
and outcomes in the realm of macroeconomic
activity and household strategies. For example,
the top row of causal factors represents economic
strategies and policy interacting with social dis-
crimination, conflicts, and military conflict;
resource endowments and their relationship to
climatic or disasters influencing levels of poverty
and food availability; and population growth.
These elements directly affect both the design
and the success of policy and project interven-
tions, such as subsidies and distributional poli-
cies, that influence input/output relationships,
and thereby influence domestic food production
levels and stability.

Other policies, such as wage policy, and pro-
ject interventions, such as paid labor-intensive
public works, interact at the level of capital, labor,
and output markets. These relationships deter-
mine prices, and hence the real purchasing power
and terms of trade of the poor. Severe deteriora-
tion in, or rapid fluctuations of, purchasing
power and terms of trade among the poor can
have a strong impact on nutrition. It is in such
instances that income and consumption failure
become most severe and result in extreme
hunger, and that the failure of household "enti-
tlements" becomes evident.

Analytical discussion on any one of these
interactions should be pursued with a recogni-
tion of the upstream/downstream and short-
term/long-term linkages between individual elements. Recognition of the complexity of these relationships is crucial for effective action aimed at curbing and eliminating hunger.

Sources of Risk

Food-insecure households can be found in different socioeconomic and demographic groups depending on factors such as agroecological characteristics, access to land, diversity of income sources, and the state of development of the economy. Different types of risks affect various groups of food-insecure households and their members in different ways (table 1).

The most severe hunger problems affect particularly high-risk demographic groups in rural and urban households characterized by low and variable household incomes, limited asset wealth, low human capital, and a high risk of income and consumption instability or collapse. For example, children in poor smallholder households that have limited income diversification may be severely affected if their household experiences a bad crop or loss of employment, and they are located in an area of civil unrest.

To improve household food security, location-specific risks need to be identified so that effective risk reducing actions can be implemented. The risks associated with hunger have short- and long-term dimensions. Some of the more common risks are briefly discussed below.

War and oppression. The impact of civil unrest and armed conflict is not limited to the area directly affected. When wars erupt, often because of perceptions, real or otherwise, that the policies of the central authorities discriminate against peripheral groups, the poor in deficit areas away

---

Table 1: Sources of Risk

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Effects of economic policies and market conditions</td>
</tr>
<tr>
<td>Environmental</td>
<td>Effects of climate and ecological changes</td>
</tr>
<tr>
<td>Social</td>
<td>Effects of social and political conditions</td>
</tr>
<tr>
<td>Agricultural</td>
<td>Effects of agricultural production and resource availability</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Effects of infrastructure and service availability</td>
</tr>
</tbody>
</table>

---

Figure 1. Relationships among variables responsible for hunger in developing countries

from the front line are affected through rapidly declining food supplies and rising prices. As conflicts continue crops are not sown, farmers abandon their lands, and longer-term production declines. This adds to the strain on the food supply chain in areas that may already be at risk.

Unable to secure a living or feed their families, vast numbers of the poor migrate to neighboring countries or to more peaceful areas of their own country. In the early 1990s more than 5 million Africans were classified as refugees or asylum seekers, with another 35 million living outside their own countries in search of employment.8 Another 10 million or so were to be found in other parts of the developing world. Such dislocations create problems of increased food insecurity among the displaced poor, a concentration of job seekers in urban areas of already high unemployment, and resistance to the assimilation of newcomers among many host populations.

Even when peace returns to an area people continue to feel the impact of years of war. Food production in Mozambique has yet to recover from the displacement of more than 1.5 million people (about 10 percent of the population) during fifteen years of civil war. The result in 1992-93 was that the total food crop area planted was far below the long-term average.8 What is more, 1 million refugees may soon return. The lack of productive assets owned by, and poor nutritional condition of, many returning refugees means that production gains from a larger cultivated area and potentially higher yields will not materialize in the near future without considerable assistance. Investments will therefore be required in seed distribution and cultivation technology, as well as in defusing land mines, to return formerly cultivated lands to previous levels of productivity.

Natural resources and human resources. Estimates indicate that half of Africa's poor farmers already live in environments characterized by a natural resource base highly vulnerable to degradation, while in Latin America the figure is closer to 80 percent.9 The resource environment affects the nutrition and food security of hungry people mainly through impacts on crop choice and crop yields.10 Food insecure and poor households do not deliberately degrade their resource base without thought for the consequences. They are often confronted with a choice: short-term satisfaction of food needs with consequences for long-term environmental degradation, versus short-term hunger with fewer environmental demands. Much environmental destruction, such as deforestation and soil erosion, can therefore be ascribed to the struggle of the poor to feed themselves.11

Growing family size and deepening poverty forces farmers to cultivate marginal lands and

<table>
<thead>
<tr>
<th>Table 1. Sources of risks of hunger and affected populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Politics and policy failure</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Crop production risks</td>
</tr>
<tr>
<td>(pests, drought, etc.)</td>
</tr>
<tr>
<td>Agriculture trade risks</td>
</tr>
<tr>
<td>(disruption of exports or imports)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Food price risks</td>
</tr>
<tr>
<td>(large, sudden price rises)</td>
</tr>
<tr>
<td>Employment risks</td>
</tr>
<tr>
<td>Health risks</td>
</tr>
<tr>
<td>(infectious diseases, for example, resulting in labor productivity decline)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from von Braun and others, Improving Food Security of the Poor.
reduce fallow periods. It also forces the landless and the unemployed (as well as farmers and pastoralists) to cut trees for fuel and fodder, but environmental damage, such as tree loss through charcoal production, becomes a direct constraint on future expansion of food harvests. Failure to address hunger issues leads to productivity losses today, directly through reduced work time because of illness, and indirectly through time spent caring for the sick.

Failure to address hunger issues can also lead to further environmental degradation and deepening problems in the future. Children's cognitive development and school performance are impaired by poor nutrition and health, with consequent losses in productivity during adulthood. Nutritional deficiencies play a large part in poor school enrollment, absenteeism, early dropping out, and poor classroom performance in developing countries. The education factor is particularly important for girls given its role in lowering later fertility, and thus the population growth rate.

Eradicating hunger would therefore have a beneficial impact not only on human productivity and well-being, but also on the environment. Improved adult nutrition leads to higher farm productivity, improved productivity in the labor market, a likely reduction in population growth, and reduced depletion of natural resources for short-term gain.

**Governance, participation, and democracy.** A key factor in eliminating persistent hunger and recurrent famines is public action. This involves not just governmental initiatives in the delivery of resources to target populations, but active participation by the public, both as individuals and through grassroots nongovernmental organizations. Public participation can have positive and powerful roles both in collaborative and in adversarial ways with regard to government policies. Collaboration is essential in public health campaigns, such as nutrition education, and in famine relief operations, which require cooperative efforts to ensure their success. However, the public's adversarial role often brings problems to the government's attention and demands resolution.

The demand for action through political activism, journalistic pressures, and informed criticism can help to identify both persistent hunger and famine risk. It is no accident that those countries most successful in famine prevention have been those with more pluralistic politics and open channels of communication and criticism. While China made great postrevolutionary strides in terms of eliminating endemic hunger, the population was still vulnerable to famine in the late 1950s. By contrast India, with its open journalism and adversarial politics, was relatively less successful in reducing endemic undernutrition, but has avoided famine. Starvation deaths and extreme deprivation are newsworthy, whereas increased morbidity and mortality rates from endemic undernutrition are not.

The absence of political opposition and free speech have contributed greatly to famine vulnerability in Africa today. Many autocratic African governments have recently been challenged by mounting social anger at the increasing poverty of large segments of society. However, if fledgling, transitional democracies are to survive, they must quickly satisfy the needs and demands of those who brought them to power. This requires positive support by the international community. Democracy is vulnerable where external debt, disease, hunger, and poverty are commonplace.

Opportunities for investment aimed at stabilizing fragile economies, even where democratic institutions may yet be imperfect, should be seized whenever they appear.

**Setting Priorities for Ending Hunger**

While the dimensions, causes, and consequences of hunger differ widely from country to country, and even within the same country, substantial numbers of hungry households and individuals inhabit practically all low-income and many middle-income countries.

**Incidence of Hunger**

Hunger is concentrated among certain demographic and socioeconomic groups, as well as geographically. For example, hunger in most countries is concentrated among the very poor in both rural and urban areas, households headed by women, the displaced and dispossessed, the elderly and disabled, and among certain categories of infants and children. At the same time, more of the poor and hungry are located in regions of the developing world that are poor in natural, infrastructural, and institutional resources. In
Sub-Saharan Africa, for example, almost 40 percent of the population can be classified as poor, a share that is coincident with the proportion that does not eat a minimum diet. Approximately 50 percent of Africa's poor inhabit semi-arid tropical regions that have poor physical infrastructure and services, and depend on low and variable rainfall for food production. As a result, local diets are dominated by low-yielding coarse grains (millet and sorghum) that have shown limited potential for large productivity increases. The proportion of the total population not eating a minimum diet is 25 percent in South Asia and 16 percent in Southeast Asia (ACC/SCN 1993). In South Asia one again finds more than two-thirds of the absolute poor (who are associated closely with hunger) in the driest agroecological zones of warm tropics. In this instance their diet is dominated by cereals such as rice and wheat, with coarse grains and cassava an important complement. While rice and wheat were the star performers of the green revolution, the driest areas of the subregion benefited relatively less from the new technologies than did the moister tropics and subtropics.

The proportion of South America's population not consuming a minimum diet is 25 percent, with the largest number of poor again located in the driest agroecological regions, as well as in urban conurbations.

Hidden Hunger

While the total number of hungry people in all regions may exceed 700 million, millions more people worldwide are subject to chronic micronutrient deficiencies. Acute hunger may relate not only to catastrophic calorie consumption deficiencies, but also to transitory fluctuations in calorie supply, micronutrient deficiencies, diet diversity problems, and also to maldistribution of resources within household units. For example, estimates indicate that 40 million preschool children are suffering from chronic vitamin A deficiency, and that between 200 and 300 million people worldwide are experiencing endemic iodine deficiency goiter.

Addressing these forms of hidden hunger requires a multifaceted approach, including providing nutrition education; ensuring that food supplies have the appropriate micronutrient content; that is, that they include fruits and leafy green vegetables; supplementing people's diets through feeding programs; organizing food fortification, such as iodine modules in water supply projects or the provision of iodized salt; and controlling disease.

It also calls for reducing the constraints disadvantaged groups within certain households face in gaining access to the benefits of development initiatives. Communities and households are not neutral media through which development resources flow evenly. While hunger is not solely a function of adequate global food supplies, the issue of individual access to resources has implications beyond income and purchasing power. Addressing hidden hunger therefore requires attention not just to health care, water supply, and education, but also to the distribution of these and other resources within the household. Hunger can exist in households that are not poor by local standards.

Hunger is therefore a problem of great complexity as well as of scale. But in a world of limited resources for development in poor countries, this raises the question of which hungry people should be taken care of first. Given wide variability in the causes and manifestations of hunger, no general blueprint for setting priorities can be sought. Each country will always address its problems according to the prevailing demands of political economy and to the perceived costs and benefits of alternative investments.

Nevertheless, the issue of setting priorities for investment initiatives has received insufficient attention. Just as the sequencing of policy reforms may be crucial to the success of the overall package of reforms, the sequencing of policies and programs to address hunger can be important. Long-term initiatives independent of short-term actions may be unsustainable, while the converse is also true. Priorities need to be set for coordinated action among donors, governments, and communities to be possible.

We argue here that coordinated action should focus on the worst symptoms of hunger first, in the context of a strategy for long-term interventions aimed at removing the root causes of hunger. This suggests a primary focus on problem areas of Africa and Asia with priority attention to the acute problem of famines, which is the worst case of entitlement failure associated with all three
root causes of hunger laid out in figure 1. The second focus is the much larger problem of chronic and transitory dietary deficiencies—of macronutrients and micronutrients—in rural areas of Africa and Asia, particularly those areas that are resource poor and ecologically fragile. A third focus would be chronic dietary deficiencies among the urban poor, with an increasing emphasis on Latin American problems alongside those of other developing countries.21

Famine Prevention and Mitigation

Governments and donors should give the highest priority to addressing famine. The world cannot afford to let the worst cases of hunger go untreated. With high population growth the absolute number of people becoming vulnerable to famine continues to grow. In the early 1990s the number stood at roughly 30 million people in Africa.22 This catastrophic hunger has profound implications for economic growth in affected countries, let alone for their longer-term human capital development, as well as for demands made on more developed nations for food and other assistance. The longer the social and economic malaise associated with famine persists, the harder and more costly it becomes to eradicate.

This calls for a swift and effective response to famine set within a framework of actions to remove the underlying causes. Free food aid to severely malnourished individuals will not alone solve the problem. While temporary solutions to acute hunger are often achievable in a short time at relatively low cost, this does not make them sustainable in the longer run.

Famines are extreme, regionally concentrated shortfalls in food consumption that result in rising undernutrition and death rates. They do not happen suddenly. Famines result from an accumulation of events that progressively erode the capacity of poor households to deal with short-term shocks to the local economy. Shocks often take the form of environmental extremes, but the conditions that promote household vulnerability to extremes develop over long periods, typically in the context of inappropriate economic policies.

Famines should therefore be recognized as national and international policy failures. They signal a lack of preparedness and political commitment to prepare for and implement public initiatives against acute hunger.23 While a reduction in long-term poverty and stimulation of private sector economic activity—two of the key aims of structural adjustment policies—serve to reduce the risk of famine, action by public agencies remains necessary, at least in the medium run, to protect vulnerable households that lack the resources to protect themselves.

Successful preparedness and mitigation depends on a public commitment to intervene effectively and on time. This has the advantage of offering high returns in reduced hunger relative to the resources invested. Also needed are the conditions that prevent hunger from recurring on the same scale and at the same intensity as before. Such conditions include building institutional capacity at regional and local levels, detecting and diagnosing indicators of distress in close collaboration with affected communities, preparing programs and projects for vulnerable regions ahead of time, and executing appropriate interventions in times of need.24

The successful eradication of famine, as well as the removal of nutrient deficiencies, depends on successful economic growth. Unless growth underpins appropriate targeted interventions, short-term mitigation of acute hunger cannot be sustained. Thus, in countries with a large agricultural sector, a key contribution to famine prevention must come from an employment-creating agricultural growth strategy from which hungry populations reap a direct benefit, an issue taken up in more detail below.

Agricultural Growth for Sustained Hunger Reduction

In most developing countries, there is little question that policies for enhancing economic growth, particularly in agricultural productivity, must provide the bedrock for future development, including the elimination of hunger. Agricultural growth can address hunger not only by increasing production, but also by generating rural employment, and therefore income. Yet with population growth rates in excess of 3 percent per year in much of Africa, and growth in agricultural output during the 1980s rarely surpassing 2 percent per year in many countries, even outside Africa, the challenge to agriculture is daunting.
While opportunities for bringing new land under cultivation have compensated for slow yield growth in the past, continued attempts to expand agricultural land will entail ever larger investments, accelerated deforestation and land degradation, and ultimately, falling yields. Productivity increases must be sustainable. The issue is one of finding a way to meet growing food demands without compromising the ability of the total stock of resources, both natural and human, to meet even larger demands in the future.25

To facilitate yield increases in developing countries higher investment in agricultural research and technology is urgently needed, particularly for those crops most important to the poor. As population and food demand continue to grow, failure to develop and implement appropriate production and marketing technologies will lead to either more food insecurity and hunger, for which the current generation of poor people will pay, or to further degradation of our natural resources, for which future generations will pay.26

The tradeoff between meeting future food demands and maintaining production capacity can be avoided and sustainability in food production can be assured only if (a) investment in appropriate research and technology is accelerated; (b) relevant externalities, including those related to resource ownership and user rights and the needs of future generations, are either taken into account in production and consumption decisions or effectively dealt with by government policy; and (c) poverty is significantly reduced or alleviated.27

Because of the risk of irreversible degradation of natural resources and the urgent need to assure sustainable production to meet future food demands, understanding why investment in the most promising solution, agricultural research and technology, appears to be decreasing is difficult. For example, U.S. assistance to agriculture in developing countries in 1990 was less than one-half (in real terms) what it had been in 1988.28 The World Bank showed a similar, though less dramatic, decline of 25 percent in assistance to agriculture during the same period. In 1994 funding for the Consultative Group on International Agricultural Research—the driving force behind the green revolution—is likely to be 27 percent below its level of funding for 1990 in real terms.29

This decline is unfortunate on several counts. First, investigators documented high rates of return for investments in agricultural research during the 1980s and early 1990s, even in Africa.30 Second, there is a time lag between agricultural research and increased production. The adequacy of current food supplies is a testimony to past investments in agricultural research. For the impact of new technologies or support services to be realized in the agricultural sector could take ten years or longer.

Improved crop technology need not be restricted to the production of staple food crops. Growth in the staple food sector and growth in the cash crop sector are not mutually exclusive. The complementarity between the production of traditional food crops and of cash crops is often overlooked. Longitudinal studies in many parts of Africa show that the real income poor smallholders earn from cultivating cash crops is generally converted into food calories for consumption in a similar manner to income earned from subsistence food production.31 Appropriate policies for technological change, input supply, pricing, marketing, and infrastructural growth benefit both sectors and are crucial for growth in both. In other words, the attainment of optimal food security should not rely on growth in the food sector alone, but on the development of the most productive agricultural resource, which may be an export crop.

Appropriate policies not directly related to agriculture are also required. The use of new technology alone is not sufficient. Investment in rural roads, institutional change, and appropriate policies are needed to facilitate farmers' access to modern inputs, improve farm management, develop a marketing system capable of assuring sufficient food for rapidly growing urban populations, provide the necessary production incentives, promote economic growth in rural areas, and enhance the exchange of commodities (including labor) and services between urban and rural areas. Attention to the removal of institutional and policy barriers to dynamic factor markets continues to be needed.

Without effective markets, more food will not be within the reach of rural and urban net consumers of food, including the landless and the unemployed. Agricultural production increases alone are insufficient to achieve food security if
hungry individuals cannot secure that food. Thus a precondition for sustainable agricultural development is economic viability, both at microeconomic and macroeconomic levels. Increases in agricultural production must be combined with employment creation, higher incomes, and price stability if growing populations are to have access to enough food in the future.

Policy and Program Options

A range of policy instruments is available to improve access by the poor to the income and food required to alleviate hunger. A combination of instruments is required so that short-term goals are achieved in tandem with long-term development. The portfolio of actions taken should focus narrowly on the achievable and on the cost-efficient, both measured in terms of the effectiveness of resource transfers—be they calories, income, or technology—to target populations. Key instruments to be considered include the following:

- Targeted food distribution and subsidies
- Employment creation (resulting in rural roads and resource improvements)
- Institutional strengthening, such as providing credit for the poor
- Price and trade policies for stabilizing consumption
- Human capital investments.

Targeted Distribution and Food Subsidies

Food transfers, which are income transfers in kind, are widely used as a means of alleviating food insecurity, but they have come under attack for their potential adverse effects on markets, for their high fiscal costs, and for their perceived inconsistency with structural adjustment policies. In the current climate of structural adjustment there is additional pressure to eliminate such transfers except where justified on strong humanitarian and/or developmental grounds. This section considers three types of programs: targeted feeding programs, food stamps and other income transfers, and food price subsidies.

Targeted feeding programs. Except in the context of emergency relief, feeding programs are generally aimed at those people most vulnerable to malnutrition, usually children and poor women of child bearing age. The targeting of feeding programs is achieved through various means depending on nutritional need and the programs' objectives. Geographical targeting works well when a high prevalence of hunger is identified in selected areas. School feeding programs can be used to target school-age children. Means tests and vulnerability tests are also used. General food distribution is rarely cost-effective because of leakages, but the administrative costs of targeting can overwhelm certain feeding programs.

Food stamps and other income transfers. Interest in food stamp programs as a means of providing a food-mediated income transfer to low-income households and as an alternative to food subsidies has picked up in recent years. Food stamp programs are expected to display the higher consumption effects of food-based income, as well as to reduce the administrative burden and costs imposed by food handling and transport.

Yet experience with food stamps is mixed. For example, in Zambia large-scale counterfeiting compromised such programs. In Sri Lanka the income verification procedure excluded wage earning workers on tea plantations even though they appeared to be a nutritionally needy group. These problems are not unique to food stamps; they are also encountered with in-kind transfers. The question is which approach is more efficient in transferring its resource to a target population within the confines of accepted leakages.

Fixed, nominal value stamps do not protect consumers from price fluctuations, even when periodically adjusted for inflation. To be cost-effective, the targeting of food stamp programs has to be based on narrow criteria associated with need. This is not perfect even in the United States, which uses means testing, and is especially problematic in poor countries. If food stamps programs...
employed the methods used for targeting feeding programs they could probably be more effective.

Food price subsidies and rationing. Consumer food price subsidies are widespread and have been introduced in most low-income countries. They can take the form of generalized price subsidies or rationed access to a commodity at a price below market value. Generalized price subsidies are more costly in terms of fiscal and economic costs than limited access subsidies, and are also more regressive in the distribution of economic benefits.66

Household food security is a goal of certain subsidy programs. Food subsidies increase the real incomes of households with access to the subsidies. In a number of programs surveyed, food subsidies accounted for 15 to 25 percent of the real income of poor households receiving subsidies.67 Food price subsidies also generally increase household food consumption. Furthermore, subsidy programs have a positive and significant effect on food consumption by preschool children, although they may result in decreased consumption of other foods and leakage to other household members may occur.68

Programs that provide rations in fixed quantities have, in general, succeeded in reaching the people to which they were directed. However, experiences in Egypt, the Philippines, and Sri Lanka underline the difficulty of achieving universal household food security through rationed distributions and targeted income transfer goods in a single program in a cost-effective manner.69 Self-targeting can be achieved through commodities that better off consumers consider inferior, and that are therefore used more by the poor.

Traditionally, food aid has been used to support food subsidies, an action often viewed as a mixed blessing. By promoting food subsidies, food aid has been perceived as inhibiting growth in domestic food production in the short run, and as misallocating resources, both public and private, in the long run so as to create a dependency on externally subsidized food. Yet the empirical evidence does not support such a generalization, at least for Asia.70 The so-called disincentive effects of food aid on domestic agriculture have been exaggerated, and many countries that received high levels of food aid subsequently achieved above average agricultural growth. For example, India, the Republic of Korea, and Taiwan (China), which used to be major food aid recipients, no longer depend on such aid. Evidence of disincentives for agriculture at the microeconomic level in countries such as Ethiopia and Niger is also slim.71

In other words, the actual effects of food aid are very much a function of recipient countries' food and agricultural policies.

Employment and Income Generation Programs

Besides programs and policies oriented toward agricultural production, other programs intended to diversify employment and income can reduce risks for hungry households. These other income generation programs, which can be complemented by other non-labor-based interventions, differ from programs oriented toward food production in that they stimulate or stabilize the demand for food, but may not directly expand the supply of food.

Labor-intensive public works programs. Labor-intensive public works programs can address four key problems facing many low-income countries today: food insecurity, growing unemployment, natural resource degradation, and deficient physical infrastructure.72 Public works are, in general, public programs that provide employment and generate public goods, such as physical and social infrastructure. Food aid can be, directly or indirectly (monetized), a component of the wage payments.

The food security effects of employment programs are a function of program design.73 For instance, a short-term project may result in expenditure patterns by the poor that treat project income as "windfall profits." A small food consumption benefit from the Bangladesh food-for-work program hints at that behavior.74 In contrast, long-term benefits from improved rural roads produce more secure income flows and substantial consumption improvements for the lowest-income households.

Good public investment through public works programs, and thus the creation of productive and sustainable assets, needs to be emphasized in policy. Note, however, that income effects derived from works programs can also have favorable private savings and investment effects that improve household food security, as observed from experiences in Bangladesh and Guatemala.75 In countries such as Niger and Ethiopia, income from public
works has contributed more than 20 percent of total income to the poorest households, who have reinvested some of this income in agriculture. Strengthening financial institutions for the poor in tandem with public works programs is suggested in order to foster these positive effects.

Public works programs can be a viable instrument for famine prevention as demonstrated by the Employment Guarantee Scheme in Maharashtra, India. The employment guarantee feature of the scheme, which generates unlimited employment to adults at a fixed wage, also triggers "relief works" automatically at local levels. This enables small crises to be addressed through local action, an important lesson for dealing with the problem of localized famines in Africa. Note, however, that public works programs cannot address the immediate needs of hungry individuals who are unable to participate in the schemes. Other complementary programs are required for households that are poor in labor as well as in income terms.

Properly designed public works programs have a unique feature in favor of poverty and hunger alleviation with low administrative costs and effects: self-targeting. At appropriate wage rates, the working poor identify themselves by offering their labor. However, the self-targeting feature only operates effectively with an appropriate (low) wage rate policy and a flexible absorption of applicants without rationing work places. The issue of whether to pay in cash, in kind, or a combination of the two is related to the wider problem of wage rate determination and to the risk of market failure.

Providing credit to the poor for stabilizing consumption and for self-employment through private investment is an important mechanism for improving food security in the growing and diversifying rural economies of many low-income countries. Many innovations occurred in the 1980s and early 1990s. These programs are most likely to succeed in areas where agricultural growth is proceeding well and that have good roads and market activity.

The most successful programs in generating self-employment for the poor and stabilizing consumption are those that combine small-scale credit with group motivation, technical advice, and other forms of assistance such as nutrition and health programs, for example, Bangladesh's Grameen Bank. Group loans for poor households without collateral can be an effective mechanism that ensures repayment as long as the group remains small and peer pressure can operate.

Access to credit is an important food security mechanism, both in the short run and in the long run. In the short run it enables the poor to weather shocks without selling productive assets, which would render them even more vulnerable to future shocks. In the long run it enables them to adopt new technologies and farming methods that increase yields and production without causing environmental degradation and natural resource depletion.

Development practitioners increasingly understand that production fluctuations, market infrastructure, government policy, location, and sectoral diversification are important determinants of a country's demand for stabilization of food availability and prices. Stabilization must be attuned to a country's specific production risks (for example, whether it is prone to droughts or floods) and trade risks (for example, whether it is landlocked). The response of local- and farm-level storage to public policies is an important consideration, especially in circumstances where postharvest losses are significant and where local market disruptions occur frequently.

Price stabilization has both benefits (including in terms of food security) and costs. It is expensive. Frequently, low-income countries cannot afford it financially or administratively. Recent research into domestic price stabilization schemes in developing countries suggests that governments can minimize the costs of stabilization by relying on market mechanisms when possible, avoiding schemes that require physical handling of the commodity, not trying to stabilize prices too much, and attempting to mimic prices that would be established in a freely functioning market.

Food market and trade interventions are widespread not only in low-income countries, but to an even greater extent in high-income countries. The stabilization policies of high-income countries can destabilize world markets. The extent and level of intervention in low-income countries vary and the late 1980s saw considerable steps toward the liberalization of the agriculture and food sectors in these countries. This does not indicate a reduced concern for food security on their part.
**Human capital investment.** Longer-run enhancement of the labor productivity of the poor requires that both chronic energy deficiencies and hidden hunger be addressed directly through investments in improved health and human resources. Improved investment in primary health care facilities and services could significantly reduce undernutrition and malnutrition in many regions. The improvement of potable water supplies also remains a long-term priority.

At the same time, improved education is needed. The upgrading of human capital, with a positive emphasis on female education, has strong multiplier effects in income growth, technology adoption, and the control of population expansion. All are crucial to the enhancement of long-term food security.

Combining the Options: Targeting Risks of Food Insecurity

The policies and programs briefly reviewed above address the risk of a household becoming food insecure, and therefore hungry. These risks can originate from different sources and the effectiveness of policies and programs can vary. For example, a program that raises crop yields may not have an impact on household food security in the short run, whereas a short-term feeding scheme on its own may not have a measurable impact in the long run. Table 2 links the risks of hunger with the policies and programs discussed above. The following points from the table deserve highlighting:

- Crop production risks are best addressed directly through technological change and improved commercialization of agriculture in the long run. In countries with high risks of food unavailability and price fluctuations, joint promotion of technological change in staple foods and an appropriate incentive environment for agricultural commercialization is called for. Hunger is often best addressed not by self-sufficiency goals (be it at household or at national levels), but by food security goals that seek an efficient balance between higher domestic production and trade.

- Short-term food availability and related food price risks can be addressed by means of a large array of options, including policies at the macroeconomic level; stockholding; trade and aid policies; and programs such as public works, provision of consumption credit, food subsidies, feeding programs, and income transfers that strengthen the entitlements of food-insecure households. Agricultural production policies address these risks in the long run.

- Employment and income risks can be tackled in the long run through agricultural production policies, and in the short run through entitlement strengthening as indicated. Labor-intensive public works would have both short- and long-run risk reduction effects, the latter by cre-

---

Table 2. Hunger risks and policy choices

<table>
<thead>
<tr>
<th>Policy choices</th>
<th>Crop production risks</th>
<th>Availability and price risks</th>
<th>Employment and income risks</th>
<th>Health risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural production policies</td>
<td>III</td>
<td>III</td>
<td>III</td>
<td>I</td>
</tr>
<tr>
<td>Technological change</td>
<td>II</td>
<td>II</td>
<td>II</td>
<td>I</td>
</tr>
<tr>
<td>Commercialization, diversification</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Promotion of behavioral change, education</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Other income and employment generation policies</td>
<td>I</td>
<td>ss, I</td>
<td>ss, II</td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>I</td>
<td>ss, I</td>
<td>ss, II</td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td>ss</td>
<td>ss</td>
<td>ss</td>
<td></td>
</tr>
<tr>
<td>Macroeconomic policies</td>
<td>ss, II</td>
<td>ss, II</td>
<td>ss, II</td>
<td></td>
</tr>
<tr>
<td>Subsides and transfer policies</td>
<td>s s s s</td>
<td>s s s s</td>
<td>ss, II</td>
<td></td>
</tr>
<tr>
<td>Feeding programs</td>
<td>s s s s</td>
<td>s s s s</td>
<td>s s s s</td>
<td></td>
</tr>
<tr>
<td>Food stamps (including transfers)</td>
<td>s s s s</td>
<td>s s s s</td>
<td>s s s s</td>
<td></td>
</tr>
<tr>
<td>Food price subsidies, rationing</td>
<td>s s s s</td>
<td>s s s s</td>
<td>s s s s</td>
<td></td>
</tr>
<tr>
<td>Food trade, food aid policies</td>
<td>s s s s</td>
<td>s s s s</td>
<td>s s s s</td>
<td></td>
</tr>
</tbody>
</table>

Extent of positive impact:
1, II, III Some, moderate, high long-term impact.
ss, sss Some, moderate, high short-term impact.
s, s s s Some, moderate, high short-term impact.
s, s s s s Mix of short- and long-term impact.

Source: Adapted from von Braun and others, Improving Food Security of the Poor.
ending hungury sworn concepts arnd priorities

ating assets that would generate future income streams.
• Food security policies alone—with the exception of those feeding programs that have strong ties to health care—have only a limited impact on the mitigation or prevention of health risks, which together with food security risks establish nutritional risks. Other policies and programs are needed in conjunction with food security policies. Promoting behavioral change through nutrition education can have favorable effects for dealing with most of the risks. Long-run benefits result from the human capital enhancement effects of short-term subsidies and transfer policies.

The typical problem of combined chronic and transitory food security problems of poor households requires a well-designed portfolio of food security policy actions. Such a portfolio builds on assessments of the nature of risks and of the instruments available, which are influenced by institutional capacities. Throughout this review, a number of complementary actions that need to be undertaken in conjunction with food security policies and programs have been identified. These complementary actions include the development of an adequate market infrastructure and policies that do not impair trade. The rapid development of rural financial markets open to all individuals, which permits the smoothing of consumption, is another complementary action.

From Hunger Response to Social Security

A long-term view of hunger alleviation needs to be established and institutionalized. Policies aimed at household food security must be seen as basic to social security policy, achievable by an appropriate division of labor between the private and public sectors. Such a division of labor depends on country- and community-specific capabilities. It also depends on more than ensuring an adequate supply of food to countries with a severe hunger problem.

A key component in the pressure on the world to feed itself is that many regions still exhibit high and rising population growth rates. Large families are a means of social security for the poor. In the next two decades 2 billion people will be added to the world’s population, the largest population increase ever in a twenty-year period. Efforts that provide social security will contribute to lowering fertility rates by (a) reducing mortality rates, (b) reducing the number of births required in a family to ensure a given number of surviving children, and (c) reducing the demand for surviving children. This will reduce the pressure on the food supply chain. Many of these goals, however, can only be achieved in the long run.

Given the close relationship between agricultural production and the livelihood of the poor in rural-based economies—partly mediated via price, wage, and employment effects—it is in the agricultural policy area that a number of countries can most rapidly contribute to social security with growth. Improved agricultural technology and roads, combined with an effective foreign trade policy, contribute to basic social security by reducing the impacts of production fluctuations.

Conclusions

The absolute number of hungry people is likely to continue to grow well into the twenty-first century. Successes in reducing hunger in parts of Asia, and even in parts of Africa, should not be overlooked; they are signals that certain policies, projects, and practices can work. However, the donor community and the governments of poor countries have finite resources for investment against hunger, and the problem has no easy or inexpensive solution.

This requires developing country policymakers and international donors to focus on key policies and programs that will not only raise the food supply, but will also improve food access by the poor. This calls for three major priorities with backward and forward linkages as illustrated in the conceptual framework presented at the outset, namely:

• First, the focus must be on tackling the worst hunger where it exists today. This requires effective famine mitigation and preparedness activities in Africa’s most vulnerable countries.
• Second, well-targeted investments are required in rural areas to tackle chronic and hidden hunger. Potential actions include employment creation programs aimed at raising and stabilizing the incomes of the poor, improved institutional credit programs, targeted food distributions, and effective price and trade policies, coupled with appropriate education, nutrition, and health investments.
Third, the first two priorities should be underwritten by longer-term investment in agricultural growth, which benefits the poor directly, supported by agricultural research, trade, and well-functioning factor markets.

Success in the third priority should, over time, reduce the need for investments of the first and second kinds. Investment in agriculture over and above investment in emergency interventions yields three important gains: (a) a net increase in the aggregate food supply, (b) a net saving in the volume of relief activities required, and (c) a net saving in relief costs because of improved efficiency of delivery. Quantifying these savings in absolute terms is a complex task, but one that would better guide the process of setting investment priorities. The longer decisions are made on an uninformed ad hoc basis, the longer hunger will persist.

For success in the fight against hunger, international cooperation toward food security for all must be institutionalized by means of appropriate incentives. Given the nature of political and administrative processes, the recognized need for cooperation and coordination among agencies and ministries, for example, those concerned with agriculture and health, must be continuously reinforced. The related United Nations' agencies, such as the Food and Agriculture Organization of the United Nations, the World Health Organization, the United Nations Children's Fund, the World Food Programme, the International Fund for Agricultural Development, and other development agencies, as well as the Consultative Group on International Agricultural Research, have a key role to play in setting good examples and in fostering such cooperation at country and international levels.

There is no excuse for the continued occurrence of hunger in today's world. Public policy actions based on partnerships between communities and public agencies can tackle hunger effectively. This calls for an improved understanding of local constraints and needs. With its complex origins, hunger requires appropriate multisectoral solutions that focus on a narrow set of achievable priorities. Local conditions will dictate these priorities, which must be well coordinated, not just among international players, but also among local communities and their governments.

Notes


17. Broca and Oram, “Study on the Location of the Poor.”

18. Broca and Oram, “Study on the Location of the Poor.”


27. Pinstrup-Andersen, “World Food Trends and How They May Be Modified.”

28. Von Braun and others, *Urban Food Insecurity and Malnutrition in Developing Countries*.

29. This decline relates to the thirteen international research centers that existed prior to the expansion in 1992. The CGIAR currently comprises eighteen centers.

30. Pinstrup-Andersen, “World Food Trends and How They May Be Modified.”


34. Kennedy and Alderman, *Comparative Analyses of Nutritional Effectiveness of Food Subsidies and Other Food-Related Interventions*.

35. Kennedy and Alderman, *Comparative Analyses of Nutritional Effectiveness of Food Subsidies and Other Food-Related Interventions*.


37. Per Pinstrup-Andersen and H. Alderman, “The Effectiveness of Consumer-Oriented Food Subsidies in Reaching Rationing and Income Transfer Goals,” *Food Subsidies in Developing Countries*.


49. Osmani and Chowdhury, "Short-Run Impacts of Food-for-Work Programs in Bangladesh"; Webb and Kumar, "Ethiopia's Food/Cash for Work Programs."


53. Von Braun and others, Improving Food Security of the Poor.


Hunger and the World Bank: An NGO Perspective

An NGO Statement Presented to the World Bank Hunger Conference, November 30, 1993

Hunger is, in most instances, a consequence of economic impoverishment and marginalization. It is thus imperative that economic empowerment form the core of strategies to eliminate the underlying causes of hunger. These efforts must also include adoption of policies that build self-reliant food security.

Strategies aimed at economic empowerment and self-reliant food security cannot be imposed from the top. Rather, they must be identified, formulated, implemented, and evaluated with the full participation of those whom these strategies are intended to serve. Such participatory strategies preclude a business-as-usual approach to project and policy development and implementation, and will produce substantially superior results than conventional practice.

Given that structural adjustment policies frequently have increased hunger in countries in which they have been implemented, NGOs are pleased to see this issue on the agenda for the conference. However, for meaningful follow through to the conference we believe that the Bank must initiate an open review of its role in designing and supporting macroeconomic policies that worsen the problem of hunger. It must then engage in a participatory process of rethinking and reformulating its projects and policies such that they address short-term poverty alleviation, as well as long-term economic empowerment of the poor.

We therefore call upon the World Bank to commit itself to implementing the recommendations presented below by the end of 1996 as its contribution to the general effort to end hunger.

Participation

True participation is assured only through economic and political empowerment based on increased control of productive resources. Therefore, the World Bank should make this empowerment a cornerstone of its work with governments on programs, policy, and institutional reform. This means making a significant commitment to programs and policies that will increase access for the poor, especially women food producers, to all productive resources (such as land, capital, technology, and markets) and skills such as literacy.

True participation also requires full recognition, respect, and support for community rights and social processes. These include the cultural rights embodied in the substantial contribution of food preferences and practices to the cultural identity of most peoples. Those who presume to help a people strengthen their food security have an obligation to avoid the arbitrary infringement of their right to choose their own cultural food and other practices.

The World Bank must revamp and democratize the process by which it identifies and supports all development projects and policies, including structural adjustment policies. In this regard, we...
applaud Mr. Preston’s statement of April 28 about the importance of “ensuring the broad participation of the poor in the design as well as the implementation of projects. We want this to become the norm of our operations in the years to come.” We affirm not only his recognition of the importance of involving the poor early on, but also his commitment that this become the norm for all operations—programs as well as projects.

At the same time, we are aware from our own field experience that the participation elicited from the poor by multilateral agencies is often superficial, may not be broadly representative, and the results of consultations are often ignored. Many of these problems can be overcome by seeking participation by those most vulnerable to hunger, particularly women. We recommend that the Bank actively reach out to and incorporate the perspectives and recommendations of women’s groups, community groups including NGOs and other actors in civil society in all Bank programs and policies. We also call upon the Bank to strengthen and encourage NGO and community involvement in obtaining, reviewing, and responding to information on all prospective World Bank projects and policy recommendations.

Full and meaningful participation is not possible without access to relevant information. The World Bank is a public institution engaged in providing public financing to public agencies for public purposes. The public in whose name such financing is provided and which ultimately must repay the resultant financial obligations has a right to full information regarding those obligations. The World Bank’s willingness to respect this right of the sovereign people and to require borrowing governments to do likewise will be a basic measure of its commitment to participation.

In order to monitor the results of its commitment to participation, we recommend that all project and adjustment operations considered by the board be accompanied by a full and gender disaggregated description of how poor and hungry people have been consulted, how they will directly benefit, and how actual consequences for them will be monitored using gender disaggregated indicators of equity (for example, distribution of income, distribution of land ownership, access to credit, and other similar indicators).

Finally, we recommend that the management incentive system of the Bank be revamped to ensure that advancement within the institution is linked to demonstrated commitments to and skills in fostering popular participation in Bank operations. This recommendation was embraced by Mr. Preston in his 1992 meeting with the World Bank-NGO Committee. The Wapenahns Report amply demonstrated how giving priority to getting project approvals and moving money has impaired the quality of Bank operations. Our recommendation for revamping incentives should be at the heart of portfolio management reforms.

People-Centered Macroeconomic Policies

While we support efforts to fight hunger at the grassroots, the Bank has long been an advocate of the proposition that policies are key to development outcomes. We agree. If the policies are wrong, hunger will persist in spite of the most effective and committed grassroots NGO anti-hunger activity. We therefore urge the Bank to make the economic empowerment of the poor a fundamental priority—not only in projects, but also in its policy reform efforts.

In particular, the Bank should give priority in policy and sectoral adjustment programs to policies that will raise real incomes and reduce risks for poor and hungry people on a direct and immediate basis—as well as in the medium and long term. This includes policies that enhance food security, employment, and incomes in both urban and rural settings; and lead to permanent reduction in foreign indebtedness and increased self-reliance in meeting basic needs.

Furthermore, the World Bank must relinquish its insistence that free and open markets are an adequate vehicle for allocating available food. The market is frequently not effective in equitably or efficiently distributing food, as starkly revealed in numerous historical instances of famine amidst plenty. All policy initiatives must take this into account through measures that assure the poor have the means to meet their basic food needs.

For the Bank to continue to rely on trickle down economic policies and top down program planning is not consistent with a commitment to ending hunger. These policies are not only failing to improve the quality of life of the poor—especially the ultra poor—they are increasing the social insecurity and vulnerability to hunger of these groups.
Each adjustment operation or other policy initiative presented to the World Bank's board should be accompanied by a description of how that operation or initiative will benefit the poor as a primary focus—not simply as the objects of the safety net programs that often supplement World Bank/IMF structural adjustment operations.

Project Quality

Now that the Bank is attempting to become a more client government-centered institution, it is essential that it do more to ensure accountability to the poor, who are the people most affected by the Bank's policies and programs. As the Bank reorganizes centrally and in the field to upgrade its portfolio management, the modalities and locus for enhancing popular participation should be unambiguous, and above all country specific. We recommend that this be done directly with NGOs, community-based organizations, cooperatives, and other actors in civil society. We recommend that the Bank work with governments and NGOs to develop specific guidelines to ensure that operations are viable at all stages from a sustainable development point of view. The portfolio management reform process is giving more emphasis to ensuring development impact as well as economic performance. Unfortunately, for the Bank, the meaning of "development impact" remains cloudy.

We recommend that the Bank's definitions of development impact and project quality give substantial weight to an operation's anticipated and actual contribution to equity, environmental sustainability, and participation goals. Such guidelines should ensure, for instance, that the Bank commits to funding only projects and programs that actively and directly increase sustainable on-site livelihood opportunities for disadvantaged people in the localities in which they presently live.

Personnel evaluations should include assessments of contributions to development impact and project quality so defined.

Poorest of the Poor

The Program of Targeted Interventions (PTI) would target investments toward the poor, broadly speaking. We recommend that in the next two years, the percentage of IDA PTI lending—especially lending focused on the social sectors—be increased from 40 percent to a minimum of 50 percent, and that combined IBRD/IDA PTI lending be increased from 26 percent to a minimum of 45 percent.

We also recommend that the Bank include in all poverty studies, social impact assessments, and project appraisals a gender disaggregated assessment of the specific and distinctive needs of the ultra poor (the poorest 10 to 20 percent) and make specific provision to invest in members of this group and to expand the livelihood opportunities available to them.

This statement is endorsed by the following organizations:

Chuck Woolery  
*Alliance for Child Survival*

George Porter  
*Aoteaoro/New Zealand Council for International Development*

Antonio B. Quizon  
*Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), The Philippines*

Edwin Zablah  
*Asociacion Latinoamericano des Organizaciones de Promocion (ALOP)*

Sekai Holland  
*Association of Women’s Clubs, Zimbabwe*

Binta Sarr  
*Association pour la Promotion de la Femme Sénégalaise—APROFES, Senegal*

David Beckmann  
*Nancy Alexander  
*Bread for the World*

Dr. Philip Johnston  
*CARE*

Cathy Shepherd  
*Caribbean Association for Feminist Research and Action / Women Working for Social Progress*

James E. Hug, S.J.  
*Center of Concern*
Georgina Ashworth
CHANGE

Safieton Diop
Collectif des Femmes pour la Défense de la Famille, Senegal

Jeremy Hobbs
Community Aid Abroad, Australia

Rodney E. Leonard
Community Nutrition Institute

Michael Hansen
Consumer Policy Institute

Consumers Union of Japan
Development Action Group, South Africa

Douglas Hellinger
The Development GAP

Lori Udall
Environmental Defense Fund

Carlos Heredia
Equipo Pueblo, México

Arano Mwenegoha
Evangelical Lutheran Church, Tanzania

Food Irradiation Network, Japan

Mazide N'Diaye
Forum for African Voluntary Development Organizations (FAVDO), Senegal

Foundation EL TALLER, Tunisia

Rupert Scofield
Foundation for International Community Assistance

Edwin Zablah
Fundación Augusto C. Sandino, Nicaragua

Richard Bumgarner
Global Food and Nutrition Alliance

Bev Greach
Group for Environmental Monitoring

Joan Holmes
The Hunger Project

Ben Turok
Institute for African Alternatives, South Africa

Mark Ritchie
Institute for Agriculture and Trade Policy

Gonzalo Tapia
Interamerican Network of Agriculture and Democracy

John Miheve
Inter-Church Coalition on Africa

Jim Bell
Interfaith Impact for Justice and Peace

Mensah Todzro
Les Amis de la Terre, Togo

Maryknoll Fathers and Brothers Justice and Peace Office

Wendy Gordon
Mothers & Others for a Livable Planet

Akin Mabogunje
National Board for Community Banks, Nigeria

Rev. Mutava Musyimi
National Council of Churches of Kenya

Lynn A. Greenwalt
National Wildlife Federation

Network for Safe and Secure Food and Environment, Japan

Chuck Kaufman
Nicaragua Network Education Fund

Rita Clark
Nicaragua United States Friendship Office

Kathy Lawrence
NGO Working Group on Sustainable Agriculture

No! to the Harmonization Action Committee, Japan

George Porter
Pacific Institute of Resource Management, New Zealand

David Korten
People-Centered Development Forum

Monica Moore
Pesticide Action Network North America

Graeme A. Reid
PLANACT, South Africa

Alison Clarke
Politics of Food Program

Caleb Rossiter
Project on Demilitarization and Democracy

Luis Lopezllera M.
Promoción del Desarrollo Popular, México

Public Interest Research Group, India

Allen M. Armstrong
Rangpur Dinajpur Rural Service, Bangladesh
Hunger and the World Bank: An NGO Perspective

Karin Nansen
REDES-FOE, Uruguay

Bella Abzug
Susan Davis
Women's Environment and Development Organization

Joanne Carter
RESULTS

Merle Hodge
Women Working for Social Progress

Rudolf Buntzel
Rural Development Education of the Evangelical Church in Germany

Peter Mann
World Hunger Year

Susan Shure
Shure Communications

Philip J. Hunt
World Vision Australia

Horace Levy

Joe Muwonge
World Vision International

Jennifer Jones
Social Action Centre, Jamaica

J. Patrick Madden
World Sustainable Agriculture Association

Susan C. Peacock
United Church Board for World Ministries

This statement is endorsed by the following individuals (organizations listed for identification purposes only):

Tariq Banuri
Sustainable Development Policy Institute

Rev. Douglas B. Hunt
Church Center for Sustainable Community

Sustainable Development Policy Institute
Omega Bula
All Africa Conference of Churches

United Church of Christ, Office for Church in Society

Christopher Dunford
Freedom From Hunger

Timmie Jensen
Chol Chol International

Karen Fennell
American College of Nurse Midwives

Kathy Lawrence
Citizen's Network for Sustainable Development

Thomas Forster
NGO Working Group on Sustainable Development

Carolyn M. Long
InterAction

Leanne Grossman
ISAR

Erich D. Mathias
Joint Ministry in Africa Office of the Disciples of Christ and the United Church of Christ

John Gershman
Institute for Food and Development Policy / Food First

Paul Nelson
Church World Service / Lutheran World Relief

Mark W. Harrison
General Board of Church and Society, The United Methodist Church

Carla Roppel
OXFAM, Global Agriculture Project

Rev. Dan C. Hoffman
Joint Ministry in Africa Office of the Disciples of Christ and the United Church of Christ

Pablo Stone
Disciples Peace Fellowship

Susan Drake Smith
Appropriate Technology International
Associated Event

The Ethical Dimensions of Global Hunger

A Panel Discussion

This panel discussion was held at the World Bank on the evening of November 29, 1993, preceding the opening of the Conference on Overcoming Global Hunger.
Opening Statement

Ismail Serageldin

We have worked hard all day at the preparatory workshop for tomorrow’s international conference on “Overcoming Global Hunger,” and some of you have been working on these issues in preparation for the conference for many weeks. I am delighted that you could be with us tonight.

Although this panel is not on the formal program of the conference, it is an essential part of it. I am particularly pleased that it is being held on the World Bank’s premises, because I believe that emphasizing the ethical dimensions of hunger from inside the premises of the World Bank is a point that needs to be made.

The issues of hunger around the world are not technical issues. Of course, there are problems of technical design, of particular interventions, for example, whether iodine supplementation programs are better carried out in connection with health programs or with feeding programs, but these kinds of issues are secondary. The core issue is an ethical dimension. I believe unabashedly that it degrades us all as human beings to know that a billion people around the world are going hungry, that the most basic of basic needs is not being met.

Earlier today I said that we should be the new abolitionists, and I mean that. I believe that just as in the nineteenth century some people spoke up and said that it was unconscionable that people should exist in slavery, in this day and age it is unconscionable that one billion people should go hungry. We should commit ourselves based on the same ethical movement. It was not the issue of the economics of the slave trade. It was not the issue of the ethics of the slave trade. It was the issue of the ethical dimension—that it was profoundly inadmissible that human beings could live in such degradation and that slavery degraded those who accepted it and were willing to tolerate its continued existence—that eventually overturned the institution of slavery in this country.

In this spirit I have also retained the words that my friend, John Clark, used earlier today, that we should have a sense of anger about global hunger. I would use the words “sense of outrage” that such a situation could continue to exist. While we will not be able to remove hunger today or tomorrow, we must not quiescently accept its continuation. We must, from all forums, from wherever we are positioned, challenge the continued existence of hunger in a world of plenty. Our world is plentiful. Hunger is not an issue of food supplies. Even in the face of the worst drought in a hundred years, last year southern Africa avoided a famine by taking sound action.

It is this quiet acceptance that we can and must now end, including the lack of resolve on the part of local and national governments, of international agencies, and of private groups, all of whom attend meetings, make declarations, and then do not suit their actions to their words. We need this dedicated outrage to keep the issue on the front burner and to carry us further in the fight against hunger.

So strongly do I feel about this point that I felt that we had to have a discussion, at least among ourselves, on the ethical dimension of the fight against global hunger before the official start of the international conference tomorrow. A discussion that I hope will help us to arm ourselves with
that sense of outrage, to arm ourselves with the sense that the most fundamental of human rights is violated for more than a billion people every day. If people are going hungry, we cannot talk only about whether they have the right to vote. Hunger is the most extreme form of deprivation of human rights.

Tonight is the forum that provides the opportunity to explore and discuss these issues. I am privileged to say that we have two very distinguished guests. Let me first introduce Monsignor Jorge Mejía of the Vatican, who is the vice president of the Commission of Justice and Peace, but who is here as the designated representative of the Holy See. He and I talked about this conference in Rome some time ago, and he challenged me by asking, "How do you think you will get people to change their policies? How will you get governments to change their attitudes?" I told him, "Monsignor, there is only one way: to shame them into it." Ours is not a political organization, but collectively public opinion has a big weight. The mobilization of public opinion, the mobilization of the shamefulness that is associated with the continuation of the inadequate policies that perpetuate a billion people in hunger, this is what I think it is all about. I am delighted that he could be with us tonight.

On my right is my good friend David Beckmann, who for a number of years was a colleague in the Bank, and is now president of Bread for the World. In the time he was at the Bank we had many discussions about the ethical dimensions of development problems. David felt so strongly about these issues that he resigned from the Bank and joined Bread for the World to work specifically on the hunger problem. I am delighted that he agreed to be on this panel today.

The third panelist who was to join us unfortunately sent his apologies, but he faxed his thoughtful text, which will be circulated. That person is my good friend, Ibrahima Fall, assistant secretary general of the United Nations for Human Rights (not the assistant secretary general for humanitarian relief). What we are talking about here is human rights. Fundamental human rights. Ibrahima Fall could not join us tonight because he has to respond to questions of the Third Committee of the General Assembly in New York. On his behalf, I wanted to extend his apologies to the group because he very much wanted to be here, and were it not that the Third Committee of the General Assembly is the sovereign body to which he has to report and they are questioning him on the programs that are being done there, he certainly would be here with us. I know that he is with us in spirit.

I know that a number of you also feel strongly about these issues, and what we have planned for tonight is not a series of lengthy presentations, but a launching of a panel discussion and a dialogue. In this spirit I propose that each of the two panelists—Monsignor Mejía and David Beckmann—use ten minutes or so to make their opening comments, and then we will open the floor for comments, questions, and discussion. There will be occasion later to circulate lengthier formal papers for those who wish to do so. For myself, I will not make a formal presentation in the panel beyond these introductory remarks.

I know that many of you are interested in voicing your thoughts because three people have already signed up to speak after the panelists. I will begin with them right after the opening statements.
The conference we are participating in, thanks to the invitation of the World Bank, is significantly entitled “A Conference on Actions to Reduce Hunger Worldwide.” I emphasize the word actions. Actions to reduce hunger worldwide are and should be political actions, economic actions, and even social actions if civil society is to be involved, nationally and internationally, as it ought to be, and if the hoped for results are to be not only true results but also permanent ones.

However, actions of such different kinds are first of all human actions, individual human actions, even if they come from a given social context and tend to transform that context.

Now, human actions are of themselves ethical actions. That is to say they are actions that are morally inspired; either good or evil. Because omissions are as important as positive actions regarding the solution of problems such as global hunger, one should be prepared to assess not only actions but also omissions.

We are all agreed, I gather, that the problem of global hunger, which is also and indeed primarily a problem of concrete individual persons being hungry and having nothing to eat (men, women, children, older people), can be solved. Put in other terms, it is not currently beyond the pale of the human community to have people eat enough, even in the most remote corners of the world.

According to recent data of the Food and Agriculture Organization of the United Nations (FAO) that were examined at the FAO’s twenty-seventh conference held in Rome during the past two weeks, world food production is sufficient to meet the demands of the world’s population considered as a whole. The point is therefore not the lack of food. Nor is it, according to another FAO study, the imbalance between agricultural food production and demographic growth, which at this time appears to be stationary or tending to slow down.

The main difficulties, indeed the real obstacles in the way of adequately producing, trading, and distributing food so that it reaches everybody, are economic and political. Some economic and political decisions, or again omissions, are responsible for the lack of a solution to the problem of hunger. Consequently, hunger is not a kind of unavoidable necessity, a kind of curse hanging over the lives of so many people, a curse induced by fate.

It is sometimes said that if the political “will” were there, at least some of the economic problems regarding hunger could be solved.

There is, therefore, an ethical question involved in global hunger. Whether or not to put some mechanisms in action depends on what criteria one chooses to follow in one’s actions or inaction.

These criteria can be approached from different perspectives. If one believes that purely economic or even political considerations are first and foremost in determining a certain course of action, and not the human rights and duties of all those involved, then hunger might easily continue unabated, or even extend and deepen. This would also be true even if the lack of enough food were not seen as the direct aim of actions or omissions inspired by such criteria, but only as a painful result.

Does this mean that solidarity and sharing should take the place of sound economic plan-
nning and enlightened political decisions? To this question the answer is no. But we should add immediately that solidarity and sharing should also inspire economic and political decisions, especially in times of universal crisis, such as the one we are going through now.

Solidarity and sharing are, of course, ethical concepts and ethically inspired actions.

The problem lies deeper however. I shall now try to approach it from the particular angle that might prove useful for our present discussion.

People have a right to be adequately nourished. Human beings, according to the United Nations 1948 Declaration in Article 3, have a right to life, as well as to liberty and security. And according to Article 25, a human being also has a right to an adequate standard of living “for the health and well-being of himself and his family, including food.”

The International Covenant on Economic, Social and Cultural Rights (1966) is yet more explicit. Article 11, paragraph 2 states: “The State Parties to the present Covenant recognize the fundamental right of everyone to be free from hunger.”

So, the right to be nourished is now seen as a “fundamental” right. And let me add that since 1966 the declaration has become a covenant. Now, a covenant implies obligations, as we shall soon see.

I believe this is a very solid ethical basis for assessing the problem of hunger worldwide, as well as for deciding on the correct actions to be taken.

Rights, in fact, exist to be respected and implemented, and for this reason they go hand in hand with the corresponding duties. Indeed, according to John Henry Newman (A Letter... to the Duke of Norfolk): “Conscience has rights because it has duties.”

For this reason, the covenant just quoted proceeds from the formulation of the fundamental right to be free from hunger, to expressing what the state parties should do to implement this right and what it implies. It goes from rights to duties; or, if you wish, supports the right with the corresponding duties. Otherwise, rights remain null and void.

In this connection, let me quote some sentences from Article 11.1 of the 1966 covenant: “The State Parties will take appropriate steps to ensure the realization of this right,” (namely, the one to an adequate standard of living, “including adequate food”), “recognizing to this effect the essential importance of international cooperation based on free consent.” Further down in paragraph 2 it says “The State Parties... shall take individually and collectively and through international cooperation, the measures, including specific measures, which are needed.” These specific measures are then spelled out under sections a) and b) in the same Article 11. I do not need to read them out. We all know them. The only pending question is to put them into practice. In a true sense, I am afraid, they have been awaiting implementation since 1966.

Moreover, the World Declaration on Nutrition of December 1992, which emerged from the FAO/World Health Organization International Congress in Rome, envisages not only the right to nutrition, but also recognizes “that access to nutritionally adequate and safe food is a right of each individual” (Article 1). In this sense, the right to nutrition implies adequate economic capacities and a safe environment.

We have thus made the transition from right to duty, and conscience has been mentioned in relation to both, if we are to take John Henry Newman’s words seriously. The “ethical dimensions of global hunger” have appeared before our eyes.

If I may now use a different perspective to express the same reality, I shall say that the problem of hunger, indeed of global hunger—but without forgetting what I said above about concrete individual persons who are hungry—is a problem of conscience, ethically considered.

Conscience, in fact, manifests to us what is wrong and what is right, and in doing so expresses what we are obliged to do or to avoid. It is the herald of moral obligation, as the recent Papal Encyclical “Veritatis Splendor” has admirably explained.

In the face of the problem of global hunger, conscience reacts and proclaims that there are some concrete actions, whether economic, political, or social, to be taken, and other actions to be avoided. When such actions are not decided upon, or others are decided upon in their stead, then the problem in question not only remains unsolved, but we become responsible for the failure. We become responsible, according to the Covenant on Economic, Social and Cultural Rights, which we have undersigned, before the international community; but also responsible
before ourselves; and, of course, before those who are bound to remain hungry, or die of hunger. As a Christian, I would add that we are responsible before God, the Father of all.

Conscience, it could be said, is a very personal matter. Whose conscience, then, is or should be affected by the problem we are facing?

My first answer to such a pertinent question would be: the conscience of whoever is nearer to the one who suffers.

The term "near" in the comparative, should not be interpreted locally. It might, of course, be read so, because we are called, as fellow human beings, to share our food with whomever we see next to us being a victim of hunger. This seems to be particularly true when people are victims of hunger because they are innocent victims of war, as is the case in more than one part of the world, as currently in the former Yugoslavia, for example.

But, in a deeper sense, "near" means, in this context, whoever is able, by his or her actions or omissions, to alleviate hunger or to ignore it, which always makes it worse.

As it is here a question of ethical decisions, there is no need to be more precise. Each of us knows, or should know, exactly where he or she stands.

Again, there is such a thing as a common conscience, or shared values in a given society, be it national or international.

That is why it is so important that values are held up, promoted, and defended among all of us. I mean, of course, true values. Values are closely interconnected with rights and duties.

The existence and real influence of values make all the difference. One could ask whether the fact that global hunger still exists and is worsening is not a sign that some values at least are no longer operative, or rather, whether or not they are considered values at all.

If global hunger is an ethical problem, then we should ask this question, and face the consequences.

As a Christian, I am convinced that the problem of global hunger, because it is ethical, affects one's relationship to God.

God not only commands us to feed our brothers and sisters, if they happen to be hungry while we are not; but also, much more radically, says to us that where we did feed or did not feed those who were hungry, we did feed or did not feed Him, as in the parable of the Final Judgment (Mt 25:35-41).

Notes

In our era the most pressing ethical question related to hunger is how do we organize political will to end hunger?!

As the papers for this conference have pointed out, a series of conferences over many years have recognized people's right to food and outlined feasible programs for getting rid of mass hunger in the world. The basic problem in carrying out those mandates is that we have not been able to mobilize the necessary political will.

Political will is also an issue within the World Bank. The Bank has been committed to poverty reduction as a primary objective for twenty years. McNamara made his Nairobi speech on rural poverty in 1973. The last two presidents of the Bank have consistently said that reducing poverty is the basic objective of the World Bank, but there are still many internal meetings in the Bank where the staff who are most serious about reducing poverty and hunger feel as if they are a beleaguered and idealistic minority.

Despite twenty years of real commitment at the level of the president of the Bank, doubts remain even among many Bank staff about how serious the Bank is about its stated intentions of reducing poverty and hunger. The challenge for the Bank, as well as for antipoverty efforts more generally, is to take steps that will establish the political will to actually carry out the rhetoric.

I will speak from two areas of my experience: the work I am doing now with Bread for the World, and my fifteen years of work within the World Bank.

Bread for the World

Bread for the World is a church-based citizens' movement against hunger. We have about 44,000 individual members and 1,000 affiliated local churches throughout the United States. We get moral and financial support from about fifty different denominations all the way across the theological spectrum, and we have some members who are not Christian.

We organize people to lobby the U.S. Congress and the administration on issues that are important to hungry people in our country and around the world. Because of our active grassroots network, Bread for the World accounts for more than half of all the lobbying done in this country for poor people in developing countries. We also have an influence on some issues that affect poor and hungry people within the United States. It has taken twenty years to build Bread for the World. But it now provides practical links between the high aspirations of people in South Dakota, Arizona, or Colorado and policymaking in Washington that affects hungry people throughout the United States and worldwide.

Others have spoken about guilt and outrage as motives for action to overcome hunger. But I suspect that most Bread for the World members are more deeply motivated by a sense of abundance, of having been blessed, accepted, and forgiven. Christian faith in a loving God is what has given Bread for the World its staying power. I suspect that most people who actively work to overcome hunger are grounded in grace, shalom,
Islam, love of nature, or some other positive and transcendent ethos.

Bread for the World's annual budget is less than US$4 million, but almost every year we get the U.S. Congress to move hundreds of millions of dollars into programs that are good for poor and hungry people. Sometimes we help win broad shifts in U.S. policy that are worth far more.

Bread for the World Institute has just published Hunger 1994: Transforming the Politics of Hunger. This book is a stage in a multiyear process of consultation and study on how to change U.S. politics as it affects hungry people in our country and around the world. We intend to help build a broad social and political movement against hunger and poverty. If we want to make the U.S. government a serious ally of hungry people, we need to transform the politics of hunger.

I urge you to get Hunger 1994 and read it. Let me make just two points from Hunger 1994 here.

First, to overcome hunger, people and organizations who are already working with poor and hungry people need to become more political. That includes official development agencies such as the World Bank. The Bank's charter and systems of governance have, at least until now, made it almost impossible for the Bank to think straight about politics. Nongovernmental organizations (NGOs) and others who are trying to work with hungry people also need to get more political.

The United States now has more than 150,000 private agencies passing out food to hungry people. So there is no scarcity of concern about hunger and poverty, but most of it is apolitical. Especially in the United States, we tend to be privately generous and publicly stingy. Nearly all the 150,000 private feeding agencies have sprouted up since 1980, during a period when public policies have been harsh toward low-income people. The private feeding movement, as fast as it has grown, has not kept up with the spread of hunger. The U.S. feeding movement is a clear demonstration that people and organizations who are concerned about hunger and poverty need to engage more—and more effectively—in changing the politics of hunger.

A second point from Hunger 1994, which seems especially relevant for this conference, is that U.S. political decisions about world hunger will be significantly influenced by the politics of domestic hunger. The U.S. government won't care much about what happens in Somalia or to poor people in the Philippines or Brazil until it cares much more actively about the plight of hungry people in southeast Washington, Appalachia, or south Texas. Serious U.S. commitment to international development, if it comes, will be froth on a wave of domestic social concern.

Bread for the World has been able to get tens of thousands of people working on foreign aid reform, partly because we also empower them to work on issues that affect the 30 million people in the United States who face hunger.

One final Bread for the World experience that I want to share is our work this year to reform U.S. foreign assistance. We call our campaign “Many Neighbors, One Earth.” We anticipated last year that the end of the Cold War would put the future of U.S. foreign assistance very much in doubt. U.S. foreign assistance is being dramatically revamped, and no one can yet tell whether it will be slashed or meaningfully reformed. So we have been campaigning to make sustainable development—especially reducing poverty and hunger in environmentally sound ways—the primary purpose of post-Cold War foreign aid. We have also been trying to shift money from Cold War-driven aspects of the U.S. aid budget into programs that are focused on sustainable development. About 185 organizations have worked with us on the “Many Neighbors, One Earth” campaign, and other organizations have worked in various coalitions with us.

What happens at the White House, two blocks away, will have more impact on world hunger than any decisions here at the World Bank. We should all be trying to get President Clinton to focus on what is good for developing countries and for poor people in developing countries. Hunger and poverty in other countries have not been among the Clinton administration's priorities. So foreign aid money has been cut. The foreign aid policy bill was put off. A full year after President Clinton came to office, his administration has yet to appoint a U.S. executive director to the World Bank.

My sense is that senior managers of the World Bank do not all share the same vision of its future, and that the Bank is unlikely to set any clear new course for itself as long as its largest shareholder.
The United States is important in the world economy and in international decisions. So until we can get the president of the United States to provide some leadership for international development and hunger reduction, we are going to have a very difficult time making progress against hunger and poverty worldwide.

The “Many Neighbors, One Earth” campaign generated about 90,000 letters to Congress in 1993. Constituents have told their representatives that foreign aid that empowers and enables poor and hungry people is important and should be expanded. Almost half the members of the House of Representatives and thirty senators have become cosponsors of the “Many Neighbors, One Earth” resolution, which calls for a shift of policy and money toward poverty-focused activities. Partly because of this grassroots pressure, congressional leaders have been pushing the administration to move forward with a foreign aid policy bill.

This discussion of Bread for the World’s work provides some practical illustrations of ways to build political will to overcome hunger. We shouldn’t just hope for political will, waiting for some politician or journalist to appear with the necessary conviction, vision, and persuasive power. Building political will is a project that requires planning and work over many years—a profoundly ethical project.

The World Bank

Now allow me to reflect a bit on my fifteen years at the World Bank. I did not leave the Bank because I thought it was a horrible institution or that no good could be done here. On the contrary, I think a lot of good is done here. But the World Bank has a fundamental problem of political will: it is responsible to its shareholder governments.

The industrial countries’ governments dominate the Bank’s board. What the Bank does thus depends heavily on what the governments of the United States, Germany, Japan, and the other industrial countries want. The Bank lends to developing countries’ governments, and it feels pressure from them too. What the World Bank does in India depends profoundly on what the Indian government wants.

The mandate of the World Bank is to reduce poverty, but its accountability structure makes the Bank always beholden to governments. Its board of governors are the folks who drive around in limousines at the Bank-Fund annual meetings. Finance ministers are not usually nasty people, but reducing poverty is seldom the highest priority of any government.

The industrial countries’ governments give inconsistent signals to the Bank. In the board they may agree that the Bank should focus resolutely on reducing poverty. Yet the next week the Bank may be making a decision related to francophone West Africa, and the French government has other interests it wants to push. Or the Bank is doing something in Egypt or Viet Nam, and the U.S. government has priorities other than what’s best for poor people.

Similarly, developing countries’ governments are seldom preoccupied with reducing poverty and hunger, and they also often pull the Bank off course. The World Bank has many wonderful, committed staff, and they do a great deal of important and good work. But again and again the Bank’s governance system does not back them up with consistent mission-driven political will.

Can we fix this problem? Even if we could change formal governance structures, an institution that manages such large-scale finance will be forced to work closely with governments.

The change in the Bank’s information policy that is about to be implemented is a tremendously important reform. People all over the world will be much better informed about what the World Bank and governments are saying to each other and planning to do. Groups like Bread for the World and the National Wildlife Federation, our counterparts in Central America or India, and local community organizations and journalists will be in a better position to influence Bank-related policies and projects. Knowledge is power, and pro-poor interests will now have more possibilities for holding the Bank’s feet to the fire.

I applaud this measure that the Bank’s management and board have taken. NGOs have pushed for years for a more open information policy. The Banking Committee of the U.S. House of Representatives pushed hard for it. It is a small, but significant, and almost irrevocable shift in the balance of power. For years to come Bank man-
agers and staff will be under a somewhat different set of pressures.

The next step should be to help groups who represent pro-poor interests become involved with the Bank and with Bank-financed activities. They will often criticize, but they will, in the process, help the Bank do a better job.

Commercial and other interests will also have more information. More open, democratic processes will not necessarily result in decisions that are better for the poor. Because the Bank's mission is to reduce poverty, the Bank should actively help poor people and pro-poor NGOs to engage in the planning of Bank-financed activities. NGOs do not now have the necessary capacity. As president of a relatively large anti-poverty advocacy group, I have gained a sharp sense of how limited our resources are in relation to those of official agencies. It has been a stretch for U.S. NGOs even to participate meaningfully in the planning of this conference. U.S. environmental groups are large and sophisticated by NGO standards, but they have had to focus on a score of projects to make their broader points about the need for World Bank reform. The Bank is churning out more than 200 projects a year. NGOs do not now have the capacity to have even a minor influence on most of them, let alone the hundreds of other major projects and policy decisions that other official agencies and governments are developing.

The Bank's new information policy makes NGO involvement more feasible. What is needed now is a decentralized system of small grants and other assistance to advocacy groups, especially in the developing countries, so that they can modify the pressures on Bank managers and staff as particular decisions are made. NGOs, especially well-financed industrial country NGOs, should shift more of their resources to advocacy. Bilateral aid agencies, public and private foundations, and others should also help with funding. In addition, we need a new institution or set of institutions to help pro-poor organizations make the agents of large-scale development activities more accountable.

The Bank could give capacity building along these lines a tremendous boost forward. At this conference the Bank is indicating that it might help organize a consultative mechanism to assist and empower hungry people: the ultra-poor. This proposed network of institutions should, in my view, strengthen pro-poor groups around the world to pull the Bank and other large official systems in the direction of what is good for really hungry people. This would include a stronger social orientation in the design of macroeconomic policies and measures to empower poor people to shape projects that will affect them. A consultative network of institutions is a good model—decentralized, but in close communication with one another. It would include both governmental and nongovernmental institutions, some already existing and some new.

Would the Bank cooperate in building this sort of network? Why should the Bank strengthen its critics? This conference shows that the Bank just might do so. The Bank invited NGOs to help plan the conference, and the conference is indeed better because it includes criticism and dissent. NGOs here are saying things that some Bank staff themselves would like to say, but could not say so boldly.

If pro-poor citizen groups become better able to become involved in specific and informed ways, the Bank would need to face up to lots of controversy and make far-reaching, difficult changes. The process would encourage the Bank to be more consistently faithful to its antipoverty mission and, over time, would broaden political support for the Bank.

Note
1. Until 1991, David Beckmann was on the staff of the World Bank, most recently as the Bank's lead adviser on nongovernmental organizations and popular participation.
Statement

Ibrahima Fall

Today, despite efforts reaching back to the establishment of the Food and Agriculture Organization of the United Nations in 1945, hunger, malnutrition, and starvation remain a scourge to a significant, and in some areas growing, part of the population of our planet. This scourge is not only one of developing countries. Hunger and malnutrition, especially among children, is ever present, and is even increasing, in industrial societies. Nor is it a problem purely of economics or commodity distribution, because many of its causes are related to human rights, as are many elements essential to its solution.

The background papers prepared for this conference clearly show that new directions, techniques, and methods and renewed political commitments are required to face the challenge of world hunger. Comprehensive efforts are required, nationally and internationally, to change the economic, political, and social factors that contribute to the maintenance of and increase in hunger and malnutrition. Important future actions include fostering people's participation in decision making, reducing inequalities, making efforts in favor of women and the excluded, and establishing impartial and functioning legal systems to provide juridical security for property and economic activity.

But what of the human rights perspective? What contribution can the United Nations system for the promotion and protection of human rights make to the objectives of this conference, in particular, to an effective strategy to reduce hunger and generate the political will necessary to implement that strategy? Unfortunately, the preparatory documents I have been able to study are silent on the human rights aspects of the fight against hunger. Yet much has been done, and the human rights perspective has much to offer to the goal of overcoming hunger.

Is not human rights the very basis of the United Nations work against hunger? In 1941 President Roosevelt announced the objective of a future world in which people everywhere would enjoy four basic freedoms: freedom of speech and expression, freedom of worship, freedom from fear, and freedom from want. Those four freedoms are reflected throughout the United Nations Charter and are encapsulated in the preamble's commitment to achieving "social progress and better standards of life in larger freedom." This objective has provided the framework for all our subsequent work in the field of human rights spanning some forty-five years.

The fight against hunger, malnutrition, and starvation from the human rights perspective is based on everyone's right to "a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care," as laid down in the 1948 Universal Declaration of Human Rights. Much more precision is given to this right by Article 11, paragraph 2, of the 1966 International Covenant on Economic, Social, and Cultural Rights, which recognizes "the fundamental right of everyone to be free from hunger" and provides for states party to that treaty to take measures, individually
and through international cooperation, including specific programs needed:

(a) To improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of the principles of nutrition and by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources; (b) Taking into account the problems of both food-importing and food-exporting countries, to ensure an equitable distribution of world food supplies in relation to need.

More than 126 countries have accepted the International Covenant not only as a proclamation of individual rights for their people, but also as a basic principle for state policy.

A large number of other international human rights instruments dealing with such issues as women, discrimination, armed conflict, refugees, and disaster relief, to name only a few, also explicitly recognize the right to food and the specific protection of this right. More recently, the 1989 Convention on the Rights of the Child, now ratified by more than 150 states, recognizes children's right to "a standard of living adequate for the Child's physical, mental, spiritual, moral and social development," and provides for assistance and support programs for, among other things, nutrition.

A final word about the international legal framework for the right to adequate food. The International Covenant on Civil and Political Rights recognizes every human being's "inherent right to life" and the Convention on the Rights of the Child recognizes that "every child has the inherent right to life." The Human Rights Committee, the body of independent experts that oversees the Covenant on Civil and Political Rights, commented on the meaning of the phrase "inherent right to life":

The expression "inherent right to life" cannot properly be understood in a restrictive manner, and the protection of this right requires that States adopt positive measures. In this connection, the Committee considers that it would be desirable for States parties to take all possible measures to reduce infant mortality and to increase life expectancy, especially in adopting measures to eliminate malnutrition and epidemics.

There can be no doubt that international law clearly recognizes the individual's right to adequate food and that states have duties and responsibilities to protect that right, but what does the right to adequate food mean, and what are the ways available to ensure respect for that right? Centuries of attention by legal experts and political leaders has given much precision to such concepts as the right to a fair trial, although even today we continue to discover new aspects of that right. The right to food has not benefited from this historical attention, but that does not mean it is not a basic human right. It does mean that we have to make a sustained effort now to define that right and to find adequate means to implement it and to measure the success of that implementation.

In the mid-1980s the Norwegian expert Professor Asbjorn Eide carried out a study of the right to adequate food as a human right. Many of the concerns, issues, and dilemmas we find in the background papers for this conference were also reflected in Professor Eide's study. In attempting to give more precision to the right to adequate food he proposed the following three guiding principles. First, food must be adequate in terms of nutritional quantity and quality, it must be safe from adverse alien substances, and it must be culturally acceptable in the context of prevailing food patterns. Second, food procurement must be viable, that is, food must be available consistently along with the procurement of other basic human needs and obtaining it must not conflict with the need to respond to other household necessities; Third, access to food must be sustainable over time, that is, the physical and institutional environment must be optimally used, protected from erosion or destruction, and restored or replaced as necessary.

Professor Eide combined these three guiding principles with three levels of national or state obligations in relation to the right to adequate food. The first is the duty to respect. States must not interfere with the activities of individuals and groups, especially those based on existing food patterns, in a way that would defeat their right to
adequate food. Second, states must act to protect the existing food pattern from distortion, to ensure food safety, or to counteract influences negatively affecting the existing food culture. Here one thinks of activities to limit the promotion of breastmilk substitutes. Third, states must take a variety of measures to fulfill the rights to adequate food, including correcting negative aspects of existing patterns of food distribution, incorporating nutritional considerations in development activities, providing for national food security, and ensuring assistance where needed.

I believe that these considerations, while general in nature, provide a useful framework for discussion of the right to adequate food from a human rights perspective. One of the responsibilities of the Committee on Economic, Social, and Cultural Rights, a group of ten experts, is to monitor the implementation and respect for the right to adequate food as set out in the International Covenant on Economic, Social, and Cultural Rights. To do so it requests specific information from states on a wide range of matters that are also of concern in the background papers prepared for the conference, for example, statistical data on the extent of hunger or malnutrition among such especially vulnerable groups as landless peasants, marginalized peasants, rural workers, rural unemployed, urban unemployed, urban poor, migrant workers, indigenous peoples, children, elderly people, and other particularly vulnerable groups. The request also asks for data on differences between the situation of men and women. In addition, governments are asked to indicate measures they consider necessary to guarantee access to adequate food for each of the vulnerable or disadvantaged groups and for the worse off areas, and for the full implementation of the right to food for both men and women.

The committee reviews this information and discusses it with representatives of the concerned governments, often at the ministerial level, and then draws conclusions and makes recommendations. These may concern not only the government, but also international organizations because the covenant expressly recognizes international assistance and cooperation as one of the means for achieving respect for the rights it proclaims.

Another committee of growing importance for discussing issues of hunger and malnutrition with governments and international organizations is the Committee on the Rights of the Child, whose dynamic approach to its mandate includes the involvement of international organizations in the committees’ discussions of a country’s report and, more important, in considering practical ways and means of responding to a country’s needs for assistance. This tripartite approach, government-committee-international development and assistance organizations, grounded in the involvement of nongovernmental organizations (NGOs), could well provide an important framework for identifying problems and possible solutions and mobilizing assistance where needed.

These committees deal with countries from all regions and all levels of development, and provide an excellent framework for discussing hunger and malnutrition problems with countries that do not receive development assistance, and whose people consequently do not benefit from the concern and attention of development assistance organizations. The committees base their methods of work on dialogue and encouragement to progress whenever possible, and over time real and substantial results in policy evolution and actual practice can be and are achieved.

Sadly, certain situations of violations of human rights are of such a serious nature that the international community through the United Nations has set up specific investigation mechanisms to carry out inquiries and report to the General Assembly or the Commission on Human Rights. As necessary these reports deal with questions of hunger and malnutrition. In the late 1970s reports on the situation in Chile underlined the impact of government policies on nutritional standards, and today many of the reports presented to the Assembly and Commission contain such information, notably those on the situation in the former Yugoslavia. In these situations we must seek more direct and immediate means to come to the aid of those whose right to adequate food is being deliberately violated.

Promoting and protecting the right to food as a human right forms part of the United Nations overall effort to protect all human rights, economic, social, and cultural as well as civil and political, and dealing with extreme poverty and exclusion is part of that effort. All are inter-related. The background studies for this conference show that participation, NGOs, and the role of women are important elements in a strategy to combat
hunger. Studies by the Centre for Human Rights show, for example, that an impartial legal system is crucial to economic development. Here we can refer to programs designed to train paralegals for rural areas, whose responsibilities are to help small farmers, peasants, and shop owners defend their property, produce, and investments. This has a measurable effect on economic development.

Few, if any, United Nations activities do not contribute to the Charter's human rights objectives. Furthermore, respect for human rights has much to contribute to attaining the objectives of the United Nations in its other activities. Isolated action in one domain, as we have seen from our failures and successes, is not viable over the long term.

Acting together for common goals is the fundamental message of the World Conference on Human Rights that last June, with the support of more than 170 governments, adopted the Vienna Declaration and Programme of Action. This Declaration and Programme of Action called for United Nations bodies, organs, and specialized agencies as well as regional organizations and international and regional finance and development institutions to work together for the promotion and protection of human rights. It called for specific action against discrimination; on behalf of minorities, indigenous people, and migrant workers for the equal status and human rights of women; and for the rights of children and such vulnerable groups as the extremely poor and socially excluded.

At Vienna, the participants emphasized strengthening the enjoyment of economic, social, and cultural rights and seeking new and additional ways to promote those rights. Here we must stress the search for dialogue, the identification of problems, and the mobilization of assistance where needed over confrontation and condemnation, while remembering that respect for such classic rights as the rule of law and freedom of association are essential for long-term economic progress.

I would like to make a number of suggestions for strengthening the understanding and cooperation between human rights bodies and organizations that deal directly with hunger and malnutrition. The Committee on Economic, Social, and Cultural Rights and the Committee on the Rights of the Child could both increase their roles in fighting hunger. They need to know more about the complex hunger equation, and assistance and development institutions could learn more about human rights standards. I would encourage the organization of a meeting between the chairs of those two committees and perhaps one or two other committee members specifically interested in the subject and development and assistance experts from relevant institutions, perhaps with the participation of selected NGOs, to study the committees' contributions to anti-hunger strategy.

I also propose that such institutions and experts be more closely involved with the committees' consideration of reports, both before they are debated, for example, by providing comments or needed data, and afterward in the design and implementation of assistance projects.

I also believe that the secretariats involved have much to learn from each other. I would welcome the secondment of selected staff from financial and development institutions to the Centre for Human Rights to share their knowledge and become acquainted with the human rights system. Similarly, I would welcome the opportunity of sending staff from the Centre to such institutions to learn and to provide information, and eventually training, on human rights.

Reinforcing policy commitments to eliminate hunger will require the support of the NGO community and, in accordance with the call of the Vienna Declaration to associate both development and human rights NGOs more closely with our work, we could envisage a joint meeting with grassroots NGOs active in human rights and in development to explore concepts and action.

The Centre for Human Rights administers a program of advisory services and technical assistance in the field of human rights that helps governments to establish and strengthen democratic institutions and the structures of human rights and to train and educate those involved in the protection of human rights on a national level and in public information and awareness building. Many of the programs' specific activities could help address the problems underlying hunger and malnutrition. We would welcome the possibility of discussing our country programs with experts from finance and development institutions to identify areas in which the Centre might help. Conversely, the Centre's expertise
could help assistance, finance, and development organizations to identify areas in their programs where strengthening human rights would increase their chances of success.

The background papers of this conference clearly demonstrate the intimate connection between hunger, poverty, and exclusion and show the main areas in which respect for human rights has an important role to play in corrective actions. Should we not look at these together? A well-prepared consultation on the role of development assistance and respect for human rights in combating poverty and exclusion that would bring together experts from all fields might be useful. One result could be to identify types of human rights assistance that could directly help to solve those problems.

Close cooperation with the Centre for Human Rights, and in particular its expert bodies, is crucial to ensure that on human rights matters the United Nations maintains a consistent and coherent position. Patient efforts over the years have enabled the United Nations to adopt and interpret a broad range of standards in the field of human rights. These are the standards states have accepted and to which they are held accountable. It would serve no purpose and would be extremely counterproductive for some organizations to develop their own standards and for states to be faced with different criteria depending on which organization they are dealing with. I give prime importance to working closely with all organizations and institutions to enable the United Nations to speak on human rights with one voice.

The challenges to us all to eliminate hunger and malnutrition are serious and difficult, and success will depend on our combined efforts. I wish to take this opportunity to pledge the full support of the United Nations human rights program to that objective.
A number of participants commented from the floor; then the speakers responded.

Participant's Comment

First floor participant: I work for the National Wildlife Federation, which is not a church-based organization. However, we have our own version of an ethic, and it concerns what happens to land, natural resources, and people, especially future generations. In terms of sustainability it helps to think in terms of a triangle that covers economic viability, ecological viability, and social viability. Within social viability we include all the issues concerned with democracy, public participation, and help to poor people, of which the most extreme and the most painful to deal with is the question of hungry people. We do not neglect the social aspect because we have the word "wildlife" in our name.

I want to mention the business-as-usual way in which decisions have been made for many years that violates this triangle of what constitutes viable development. The predominant part of the triangle has been the economic viability part, making profits, making a project look like it pays in some traditional way. From our point of view, no development can be sustainable over the long run if all three parts of the triangle do not have an equal value.

So we have a way of thinking that applies to all development problems, in the most extreme corner of which is hunger. Take an important actor like the Bank, which has to decide how to measure project quality, and through that process ends up emphasizing one of the three corners of the triangle over the others, whether meaning to or not. So for many years we have had very well-meaning people making decisions about whether projects have failed or succeeded based on whether the money was lent on time; whether the project stayed on schedule, as opposed to whether people were actually helped; whether their quality of life improved; whether hungry people had obtained immediate help; or whether the project had contributed to long-range preservation of the planet.

That is the struggle that I see the Bank going through now: trying to redefine project quality, trying to understand how to equalize the three corners of this triangle. However, unless that happens, appropriate development decisions cannot be made, and all the people who are trying to do good are being pushed to do something that is profoundly wrong. This lopsided measure of success is a failure of long-run efficiency. You end up degrading productive resources and losing people's productive capacity. Getting the three corners of the triangle back into balance is obviously a profoundly ethical question.

Speaker's Response

Ismail Serageldin: You will be happy to know that we are coreligionists. In the new Finance & Development: that is coming out in December, I wrote a lead article with that same equilateral triangle, which I also presented at the First International Conference on Environmentally Sustainable Development, which is followed by pieces written by leading people in the Bank. So we are making progress.
Participants' Comments

Second floor participant: No one should have to go hungry because of his or her religious or political affiliations. When one reduces it to the grassroots level, most of the people who are hungry are not the ones making the political decisions. Holding them to the decisions of those above them seems unethical.

Third floor participant: I was thinking of an article yesterday by Aleksander Solzhenitsyn on the op-ed page of the New York Times, which was an excerpt from a speech he gave recently about his observations on contemporary Russia. In the days of central planning and gulags he was one of those who brought communist society to the attention of the world and presented the moral arguments against communism. He has the same fears about what he is seeing of the new market mentality currently being introduced in Russia, and argued that the real needs of the latter part of the twentieth century were to resolve the problems of hunger and poverty, of planetary survival, and of war and peace, and that this new system was not an alternative that would bring this about. It made me think of Karl Polanyi, who around 1945 wrote an essay called Our Obsolete Market Mentality, which was a moral critique of market society and of capitalism. One of the issues we must seriously consider is that of the ethical nature of a market economy. Is this up for discussion?

Speaker’s Response

Ismail Serageldin: I do not think that anybody today advocates the unfettered free market approach of throwing the baby out with the bath water. What we are talking about is that the ruthless efficiency of the market as an allocative mechanism has got to be tempered by a nurturing and caring state. Justice that is not tempered by mercy is not justice. It becomes legalism.

I think these are the kinds of things that we do not have to spend too much time on because we all pretty much agree. Where I am not so sure that we can easily make a case is in the military area. I frequently talk about the level of military expenditures around the world. For the cost of a single tank we could save 7 million children from childhood disease by providing vaccinations. If we are going to discuss political realities, how about a 10 percent reduction across the board in military expenditures?

Participants’ Comments

Fourth floor participant: I am happy to see that Ismail is introducing this ethical dimension, and I would like to suggest that next time he writes an article with the triangle he mentioned, he puts a circle inside it with “ethics” clearly spelled out so that everybody starts talking about this issue.

I would like to ask a question about the water problem. Land is no good without water, and we need land and water to produce food. Much of the world is not endowed with enough water. The water that evaporates elsewhere because it is hot falls upon us, and we can live well and have a lot of water and a lot of food.

Now here in the United States we have our west, which does not have water, and we feel it absolutely natural and normal that we pay taxes and subsidies so that we can all share the same quality of life. What about people elsewhere in the world? We are talking about equity and ethics, but what does that mean in terms of solidarity and sharing? Should we be thinking about managing water and land globally? What kind of institutions should we envisage? We have to change our vision completely.

Fifth floor participant: I am struck by the contrast between the moral imperatives imposed on individuals' consciences, and the moral imperative of political action, which has to do with moral obligations or the ethics of social, political action. Eradicating global hunger is certainly a social, and therefore a political, problem. However, there is a gap between the individual and the social level. I know there is a whole literature on the topic, but I submit that we have a problem, because we have jumped too quickly from individual obligations to social action.

My concern has to do with the ethics of our obligation to future generations. There is enough food today, and as defined by the first speakers, the ethical problem is the contrast of the hungry living among plenty. But the moral obligations of past generations have led to our having plenty, yet we are not sure that there will be plenty in the
future unless we take action. I submit that this is a moral imperative, taking the necessary action so that there will also be plenty in the future.

**Sixth floor participant**: Ethiopia is much affected by hunger. I want an immediate answer; I do not care who is in power. What I want is that people get the basic necessities, but that has not occurred in my country or in most of the countries affected by drought or famine. The discussion here is at such a high level for me because I come from an area where the situation is very basic. We have to come down to basics. I want to see some action, such as the promotion of coping mechanisms in areas where people have some resources and of staple food production.

**Seventh floor participant**: Much of our discussion is about how we can get systems to restructure themselves so that we can eventually get at the problem of hunger, or how we can get the triangle to reshape itself, or how we can deal with the long-run problems. Because this is an ethical question, what is so wrong with the president of the Bank, and maybe the president of this country and the leaders of a lot of other countries, making a commitment that one of the first things we are going to try to do is to make sure that everybody is adequately fed? The tragedy of 1974 is that a nucleus of important people did not make the decision to do what they said they were going to do. There is plenty of evidence that had we tried to feed all the people, they would have gone to school, they would have learned what kind of medicine they needed, and they would have sorted out their development problems.

My question is, why can we not, as an ethical point, take the position that in everything we try to do, we will try to make sure that even if we overrun some systems, everyone has enough to eat?

**Speakers' Responses**

**Jorge Mejia**: I have been asking myself what an institution like the Roman Catholic Church does against hunger. We talk a lot, and this is one of the ways in which the Catholic Church communicates with people and knocks at the door of conscience, be it individual or social. We are now preparing a paper on hunger, which will be distributed soon. We are also preparing a paper on the transfer of funds. When you talked about the price of tanks, I thought about this paper. The paper is not directly about where resources go, but it is a clear statement on the ethics of the transfer of armaments and weapons, particularly of conventional weapons.

Perhaps this discussion on the ethics of hunger should have taken place after the conference. Then the many problems that have emerged here, and many others that have not emerged here but will be equally urgent, would have come out and touched our consciences. Then perhaps we could meet again sometime and try to spell out exactly how deep the ethical dimension of this problem of hunger really is.

**David Beckmann**: It seems to me that what really motivates individuals so that eventually they change institutions and structures is generally not guilt, shame, outrage, or anger. These feeling are present and we are guilty. We should be ashamed. We should be outraged. But I am convinced that what motivates most of us most powerfully is a sense of shalom, a sense of Islam, a love of nature, a joy in life, or a sense of conviviality. I can say that the World Bank ought to involve poor people in all its decisions. But Bread for the World does not. Interaction does not. The National Wildlife Federation does not. World Vision does not. It is tough to involve poor people in all our decisions.

So when we look at our own life styles, our own institutional structures, we have all got lots of things to feel discouraged about, and I think it is this sense of God letting the sun shine on the good and evil alike that gives me the capacity to wake up in the morning and say, okay, the sun is shining on me. I did not do what I was supposed to do yesterday, but I will try again. I just think that this sense, which motivates us to share our abundance with hungry people, is really crucial. And that is the ethos that is most likely to make us succeed in getting rid of hunger.
We could spend all evening discussing this subject, and there are some here who could speak very eloquently, but who did not tonight. Muhammad Yunus will have an occasion to address us in the plenary tomorrow. I see Alan Berg sitting in the back. I have sometimes called him the conscience of the Bank on hunger issues, and he has always been quiet, but the quiet of the wise. I think he did not need to have anyone hold his feet to the fire to result in his playing such a key role in which the World Bank's funding of nutrition went from US$20 million or US$30 million a year five or six years ago to some US$680 million this last fiscal year. It was his strong personal commitment and motivation that led him to do so. He is silent here, but I receive electronic mail messages from him every night and they keep me going. There are many others who are equally committed.

I would like to end on two notes. First, I do not feel that the Bank is somehow inherently insensitive to global hunger or incapable of addressing it. My career in the Bank speaks to the fact that I did not suffer too much from my commitment to end poverty and hunger. I cite a complaint about the Bank that came from a source whom I think most people in this room, just by the self-selection of coming to this panel, would consider a compliment. This person was one of the real extreme right-wing ideologues who believe that the only business at the Bank should be the promotion of the private sector. When asked what he thought about the appointment of Lewis Preston to head the World Bank, that person said, "You know, this World Bank is a strange place. It doesn't matter where the president comes from. McNamara came from Defense. Tom Clausen came from the commercial sector. Barber Conable came from Congress. Now Lew Preston is coming from Wall Street. No matter where they come from, within two weeks of landing there, they start talking about poverty."

I think this quote speaks well of the institution. I am glad that president after president of the Bank has reaffirmed this institution's goal.

Second, I think that what we all are seeking in this conference and the spirit that we must take from tonight and the next two days is perhaps best summed up in the famous words of Robert Kennedy: "There are those who look at the world as it is and ask 'why?' while others look at the world as it could be and ask 'why not?'" We should all be looking at the world as it could be and asking why not.
### Distributors of World Bank Publications

<table>
<thead>
<tr>
<th>Country</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARGENTINA</strong></td>
<td>Carlos Hirsch, SRL&lt;br&gt;Galeria Geemas&lt;br&gt;Florida 165, 4th Floor-O1e, 453/465&lt;br&gt;3330 Buenos Aires</td>
</tr>
<tr>
<td><strong>AUSTRALIA, PAPUA NEW GUINEA, FIJI, SOLOMON ISLANDS, VANUATU, AND WESTERN SAMOA</strong></td>
<td>D.A. Information Services&lt;br&gt;641 Whiteway Road&lt;br&gt;Mt Hawthorn 3122&lt;br&gt;Victoria</td>
</tr>
<tr>
<td><strong>BELGIUM</strong></td>
<td>Jean De Lamoy&lt;br&gt;Av. du Roi 202&lt;br&gt;1080 Brussels&lt;br&gt;10th Floor&lt;br&gt;Av. du Jean De Lanoy</td>
</tr>
<tr>
<td><strong>BOLIVIA</strong></td>
<td>Marcelo Gross&lt;br&gt;Ediciones Andinas&lt;br&gt;Apartado Postal 22-803&lt;br&gt;14600 Tiahuanaco&lt;br&gt;La Paz</td>
</tr>
<tr>
<td><strong>BRAZIL</strong></td>
<td>Publicacoes Tecnico Internacionais Ltda.&lt;br&gt;Rua Peixoto Gomide, 209&lt;br&gt;01409 Sao Paulo, SP</td>
</tr>
<tr>
<td><strong>CANADA</strong></td>
<td>Le Diffuseur&lt;br&gt;151A Boul. de Montagne&lt;br&gt;Boucherville, Quebec&lt;br&gt;J4B 2S6</td>
</tr>
<tr>
<td><strong>COLOMBIA</strong></td>
<td>Ediciones y Periodicos&lt;br&gt;Apartado Aereo 34270&lt;br&gt;Bogota D.E.</td>
</tr>
<tr>
<td><strong>DENMARK</strong></td>
<td>Centr. D Offentlig&lt;br&gt;Copenhagen, 6090&lt;br&gt;Alt. 1962&lt;br&gt;Denmark</td>
</tr>
<tr>
<td><strong>DOMINICAN REPUBLIC</strong></td>
<td>Editha Talley, C. por A.&lt;br&gt;Restauracion e Isabel la Catolica 309&lt;br&gt;Apartado de Correos 2190 Z-I&lt;br&gt;Santo Domingo</td>
</tr>
<tr>
<td><strong>EGYPT, ARAB REPUBLIC OF</strong></td>
<td>Al Ahram&lt;br&gt;Al Galaa Street&lt;br&gt;Cairo</td>
</tr>
<tr>
<td><strong>FINLAND</strong></td>
<td>Akateeminen Kirjakauppa P.O. Box 128&lt;br&gt;SP-00101 Helsinki 10</td>
</tr>
<tr>
<td><strong>FRANCE</strong></td>
<td>World Bank Publications&lt;br&gt;66, avenue d’Iena&lt;br&gt;75116 Paris</td>
</tr>
<tr>
<td><strong>GERMANY</strong></td>
<td>UNO-Verlag&lt;br&gt;Pappelholzer Allee 55&lt;br&gt;39112 Essen</td>
</tr>
<tr>
<td><strong>GREECE</strong></td>
<td>Papapostolou S.A.&lt;br&gt;30, Stournara Str.&lt;br&gt;105 82 Athens</td>
</tr>
<tr>
<td><strong>HUNGARY</strong></td>
<td>Foundation for Market Economy&lt;br&gt;Dobulosi Ut 17-19&lt;br&gt;H-1117 Budapest</td>
</tr>
<tr>
<td><strong>INDIA</strong></td>
<td>Allied Publishers Private Ltd.&lt;br&gt;735 Mount Road&lt;br&gt;Madrass - 600 002</td>
</tr>
<tr>
<td><strong>INDONESIA</strong></td>
<td>Pt. Indira Limited&lt;br&gt;Jalan Bencubat 20&lt;br&gt;Jakarta 10330</td>
</tr>
<tr>
<td><strong>IRAQ</strong></td>
<td>Kowlub Publishers&lt;br&gt;P.O. Box 19575-511&lt;br&gt;Baghdad</td>
</tr>
<tr>
<td><strong>IRELAND</strong></td>
<td>Government Supplies Agency&lt;br&gt;4-5 Harcourt Road&lt;br&gt;Dublin 2</td>
</tr>
<tr>
<td><strong>ISRAEL</strong></td>
<td>Yezomet Literature Ltd.&lt;br&gt;P.O. Box 50505&lt;br&gt;Tel Aviv 61506</td>
</tr>
<tr>
<td><strong>ITALY</strong></td>
<td>Unione Cooperazione Sannesi SPA&lt;br&gt;Via Duca d’Aosta, 1/1&lt;br&gt;Case Postale 552&lt;br&gt;50125 Firenze</td>
</tr>
<tr>
<td><strong>JAMAICA</strong></td>
<td>Ian Rassile Publishers Ltd.&lt;br&gt;206 Old Hope Road&lt;br&gt;Kingston 6</td>
</tr>
<tr>
<td><strong>JAPAN</strong></td>
<td>Eastern Book Service&lt;br&gt;Hokkai-Josho, Bank-tyou-113&lt;br&gt;Tokyo</td>
</tr>
<tr>
<td><strong>KENYA</strong></td>
<td>Kenya Book Service (E.A.) Ltd.&lt;br&gt;Quaran House, Mazingano Street&lt;br&gt;P.O. Box 65245&lt;br&gt;Nairobi</td>
</tr>
<tr>
<td><strong>KOREA, REPUBLIC OF</strong></td>
<td>Pan Korea Book Corporation P.O. Box 801, Kwanghwaamun Seoul</td>
</tr>
<tr>
<td><strong>MALAYSIA</strong></td>
<td>University of Malaya Cooperative Bookshop, Limited P.O. Box 1172, Jalan Pantai Baru 59702&lt;br&gt;Kuala Lumpur</td>
</tr>
<tr>
<td><strong>MEXICO</strong></td>
<td>IMPACT&lt;br&gt;Apartado Postal 22-803&lt;br&gt;14600 Tiahuanaco, Mexico D.F.</td>
</tr>
<tr>
<td><strong>NETHERLANDS</strong></td>
<td>De Liedeboon/InOn-Publicaties P.O. Box 222&lt;br&gt;7480 AE Haaksbergen</td>
</tr>
<tr>
<td><strong>NEW ZEALAND</strong></td>
<td>EBCO NZ Ltd.&lt;br&gt;Private Mail Bag 59914&lt;br&gt;New Market&lt;br&gt;Auckland</td>
</tr>
<tr>
<td><strong>NIGERIA</strong></td>
<td>University Press Limited&lt;br&gt;Three Cosmos Building Jericho Private Mail Bag 5695&lt;br&gt;Badan</td>
</tr>
<tr>
<td><strong>NORWAY</strong></td>
<td>Narvesen Information Center Book Department&lt;br&gt;P.O. Box 6225 Eirondal&lt;br&gt;N-0602 Oslo 6</td>
</tr>
<tr>
<td><strong>PAKISTAN</strong></td>
<td>Micro Book Agency&lt;br&gt;65, Shahrah-Quaid-e-Azam&lt;br&gt;P.O. Box No. 729&lt;br&gt;Lahore 54008</td>
</tr>
<tr>
<td><strong>PERU</strong></td>
<td>Editorial Desarrollo SA&lt;br&gt;Apartado 3824&lt;br&gt;Lima 1</td>
</tr>
<tr>
<td><strong>PHILIPPINES</strong></td>
<td>International Book Center&lt;br&gt;Suite 1703, Cityland 18&lt;br&gt;Condominium Tower 1&lt;br&gt;Ayala Avenue, M.C. dela Costa Extension&lt;br&gt;Makati, Metro Manila</td>
</tr>
<tr>
<td><strong>POLAND</strong></td>
<td>International Publishing Service&lt;br&gt;UL Fliczka 31/37&lt;br&gt;00-677 Warszawa</td>
</tr>
<tr>
<td><strong>PORTUGAL</strong></td>
<td>Livraria Portugal&lt;br&gt;Rua Do Carmo 70-74&lt;br&gt;1200 Lisbon</td>
</tr>
<tr>
<td><strong>SAUDI ARABIA, QATAR</strong></td>
<td>Jair Book Store&lt;br&gt;P.O. Box 3196&lt;br&gt;Riyadh 11671</td>
</tr>
<tr>
<td><strong>SINGAPORE, TAIWAN</strong></td>
<td>M.Y. Publishing Pte Ltd.&lt;br&gt;Golden Wheel Building&lt;br&gt;41, Kallang Pudding, #04-03&lt;br&gt;Singapore 1344</td>
</tr>
<tr>
<td><strong>SOUTH AFRICA</strong></td>
<td>Botswana&lt;br&gt;Tribal University Press&lt;br&gt;Southern Africa&lt;br&gt;P.O. Box 1141&lt;br&gt;Cape Town 8000</td>
</tr>
<tr>
<td><strong>SWITZERLAND</strong></td>
<td>For single titles: Librairie Payot&lt;br&gt;Case postale 3122&lt;br&gt;CH 1002 Lausanne</td>
</tr>
<tr>
<td><strong>THAILAND</strong></td>
<td>For single titles: Librairie Payot&lt;br&gt;Service des Abonnements&lt;br&gt;Case postale 3122&lt;br&gt;CH 1002 Lausanne</td>
</tr>
<tr>
<td><strong>TRINIDAD &amp; TOBAGO</strong></td>
<td>Systematics Studies Unit&lt;br&gt;# 9 Watts Street&lt;br&gt;Curepe&lt;br&gt;Trinidad, West Indies</td>
</tr>
<tr>
<td><strong>UNITED KINGDOM</strong></td>
<td>Microbooks Ltd.&lt;br&gt;P.O. Box 3&lt;br&gt;Alton, Hampshire GU34 2PG&lt;br&gt;England</td>
</tr>
<tr>
<td><strong>ZIMBABWE</strong></td>
<td>Longman Zimbabwe (Pvt) Ltd.&lt;br&gt;Teule Road, Ardenvile&lt;br&gt;P.O. Box 1125&lt;br&gt;Southeastern&lt;br&gt;Harare</td>
</tr>
</tbody>
</table>