



# Hunger in the World: Costs and Benefits of Remedies

By William H. Meyers

On World Food Day—October 16, 2002—the Food and Agriculture Organization of the United Nations (FAO) issued its annual assessment of world food insecurity in its annual report entitled “The State of Food Insecurity in the World.” Food security and food insecurity have different meanings for different people, times, and places. However, in the context of this report, food insecurity is not about food safety or national self-sufficiency in food production. Rather, it is about chronic hunger.

The conclusion of this report is that “progress in reducing hunger in the developing world has slowed to a crawl and in most regions the number of undernourished people is actually growing.” Only in China, Southeast Asia, South America, and West Africa did both the number and the share of the undernourished population decrease. In every other region of the developing world the number of undernourished increased, and in most of these the proportion of undernourished in the population also increased.

## Hunger in Numbers

The stark numbers are that for the period 1998-2000 there were, on average, 799 million undernourished in developing countries—nearly one of every seven persons. This is only 20 million fewer than in the 1990-92 benchmark period used at the World Food Summit of 1996. At that summit the global commitment was made to reduce the number by half by the year 2015. This goal was reaffirmed by 180 countries at the World Food Summit: Five years later in June 2002. (postponed from November 2001 for security reasons). Having progressed by only 20 million in the first few years, the global community now has a huge uphill battle to lift an additional 390 million out of hunger by

2015, in addition to the number of hungry added each year by population growth.

These figures are consistent with related measures of poverty, health, and mortality status, so fine-tuning the estimates would not change the picture. How could the world hunger situation be so dismal in a world of plentiful food supplies and after all the declarations and commitments made in various world summits on food and poverty? Declarations and commitments without concerted action will not solve the problem. It is what happens after these declarations that could make a difference. Is it a problem of not knowing what to do, or poor implementation, or a lack of political will to do what is needed? Most likely all of these are contributing factors, but the remedy lies in reaching greater consensus on the actions and resources needed for faster progress and fostering political will among those who could make a difference.

## From Numbers to Issues

Knowing the numbers helps to define the issue. The figures published by FAO are the number and proportion of people in the world (and in specific regions and countries) whose access to food is “insufficient to continuously meet dietary energy requirements.” In other words, people who are chronically below the cutoff level of calories used in these estimates do not consume enough to work a normal day, to learn normally at school, or develop normally as a child. They are also more susceptible to illness, have higher mortality rates, and are more vulnerable to natural and man-made calamities. In 22 of the countries (mostly in Sub-Saharan Africa), the estimated share of the population chronically hungry is 35% or more, and for several countries it is 50% or more.

Given this definition of hunger, the persistence of widespread hunger is both a moral issue and an economic one. Hunger stunts the physical and mental development of children and the productivity (and earning potential) of adults. Though less conclusive, studies on the aggregate impact of hunger and malnutrition indicate that the economic growth of communities and nations is also stunted when hunger in the population is widespread. Thus, investment in hunger reduction has an economic benefit not only to the individuals in need but also to their communities and nations and the global economy.

Framing the issue in economic terms may seem crass, but the moral outrage argument has not proven to be very effective. The most telling indication of a disconnect between declarations and action is that by FAO estimates, concessional official development assistance for agricultural and rural development (broadly defined) has declined by more than 30% in real terms during the 1990s, even though about three-fourths of the poor and hungry live and work in rural areas. The decline is nearly 50% if the definition of agriculture is narrowed to include only crop and livestock production, land and water, inputs and services, fisheries, and forestry. During this same period, the volume of lending to developing and transition countries for agriculture projects by the World Bank and other international financial institutions also declined by 40% in real terms, and the share of agriculture in total lending to these countries declined from 20% to less than 10%.

Many factors contribute to hunger, a principal one being poverty. But the debilitating effects of hunger also contribute to poverty by depriving the poorest of their main, and sometimes only, asset—labor. It is unlikely that the most undernourished can escape poverty without increased access to food. So hunger and poverty are inevitably interdependent.

Hunger and poverty are still primarily a rural phenomenon in developing countries, although rural poverty also induces migration to urban areas, where poverty is increasing. The majority of poor and hungry people depend directly or indirectly on agriculture for their livelihoods. Making investment in agricultural and rural development the key strategy in reducing hunger and poverty will

increase food availability and, even more importantly, increase incomes of the rural poor.

## **Investment in Hunger Reduction**

With many competing agendas vying for scarce resources both in national governments and international agencies, significant increases of resources are unlikely without a cost-benefit analysis of investments in hunger reduction. Fortunately, such work is in progress. Inspired by the 2001 World Health Organization study “Macroeconomics and Health: Investing in Health for Economic Development” led by Columbia University economist Jeffrey Sachs, FAO conducted a preliminary cost-benefit study in a document entitled “Anti-Hunger Programme” (AHP) for the World Food Summit: Five years later held in June 2002. A revised and expanded second draft of this document was presented at the Johannesburg (Sustainable Development) Summit in August 2002. In this document, the benefits of a drastic reduction (but not total eradication) of hunger are estimated at \$120 billion of additional Gross National Product per year. Those benefits come about as a result of longer, healthier, and more productive lives.

What would a business plan to fight hunger include? In the Anti-Hunger Programme, FAO sets out priority areas for investment and estimates the incremental public investment costs of each, with suggested cost sharing between national governments and international donors. In brief, the priority areas are: (a) raising farm productivity in poor rural communities; (b) promoting sustainable use of natural resources; (c) improving rural infrastructure and market access; (d) increasing agricultural research, extension, and nutrition education; and (d) enhancing direct access to food for the most needy. These priorities follow from the assessment that investments in agricultural and rural development have the highest payoff and that direct access to food is an essential priority for the most needy.

The estimated additional public resources needed for the first four priorities total \$18.6 billion annually. In the spirit of partnership between developed and developing countries, it is suggested that this amount be shared about equally between recipient countries and official development assistance (ODA) from donor countries. The estimated additional public cost of food access programs,

such as school meals, is \$5.2 billion annually, which would mostly be provided by ODA. These figures would mean a 20% increase in the national budget expenditures for agriculture in developing countries and a doubling of ODA to agricultural and rural development in donor countries. Although doubling ODA to agriculture and rural development is a tall order, it would restore only what was lost since 1988.

The United Nations Secretary-General, Kofi Annan, has launched a comprehensive effort on this issue, aimed at proposing modalities, resource requirements, and necessary actions to reduce hunger. This study is being conducted by the Hunger Task Force, one of several task forces in the Millennium Project led by Jeffrey Sachs. In the interim, the FAO Anti-Hunger Programme provides a basis for discussion and debate on priorities for and net benefits of taking action against world hunger. In fact, FAO invites comments on the second draft, which is found on their web site. Such interactions and refined analyses should form the basis for more

definite commitments to priorities and resources, especially by national governments and international donors.

### **For More information**

The Anti-Hunger Programme—Second Draft can be accessed at <http://www.fao.org/DOCREP/004/Y7151E/Y7151e00.HTM>. Comments can be sent to [AHP@fao.org](mailto:AHP@fao.org).

The Millennium Project and its Hunger Task Force can be found at [http://www.earthinstitute.columbia.edu/millennium\\_project.html](http://www.earthinstitute.columbia.edu/millennium_project.html).

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