FOOD AND POVERTY

The Political Economy of Confrontation

Radha Sinha

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Routledge
Taylor & Francis Group
LONDON AND NEW YORK

First published in 1976

This edition first published in 2011
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

Simultaneously published in the USA and Canada
by Routledge
270 Madison Avenue, New York, NY 10016

Routledge is an imprint of the Taylor & Francis Group, an informa business

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN 13: 978-0-415-58414-2 (Set)
ISBN 13: 978-0-415-59243-7 (Volume 4)

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PREFACE

The origin of this book goes back to a summer evening in Delhi when my host had persuaded me to join him at a wedding reception. It was being held in a five-star hotel and there were several hundred guests attending. What appalled me most was the elaborate scale on which the whole thing was arranged, at a time when Maharashtra was in the grip of a severe famine and people were dying of starvation. Still more disturbing was the presence of a significant number of high-ranking bureaucrats and political leaders, the very same ones who claimed to be committed to eliminating poverty, inequality and hunger from the face of India.

This contrast between the world of 'professing' and the world of 'practice' has been forcefully demonstrated in frequent, elaborately organised huge international conferences, meetings and symposia on the problems of poverty and hunger. One of the conspicuous examples was the richness of the cuisine served to the delegates to the Rome Food Conference in 1974 which was deliberating on the ways and means to combat mass starvation around the world.

World leaders, who in their public pronouncements promise the millenium, become mean and vicious at the negotiating table. All this is done in the 'national' interest, though in practice this often turns out to be a sectional interest promoted by particular lobbies. Besides, in politics, short-term interests often supersede the long-term interests of the country. For these reasons issues of poverty and food, particularly concerning people of distant lands, have never been a major vote-catching issue in the richer countries.

However, the time has come when brushing aside the issues of trade and aid as peripheral problems for the richer countries may go against their long-term interests. Therefore the problem of world poverty and hunger has to be seen as a growing crisis of confidence between the richer and the poorer countries which, if not tackled in due time, will threaten the very life-style of the people in richer countries by increasing the risk of confrontation between them.

Seen in this light, aid and trade concessions are no longer simply moral issues, a question of salving one's own conscience; they become vital for the very existence of a stable society for future generations in developed and developing countries alike. A failure to defuse the issues

at the earliest opportunity will certainly force the developing countries to resort to more desperate measures. The tragedy is that with the growing crisis in the developing countries, the leadership in these countries may tend to apportion more and more blame for their distress on the misdeeds of the richer countries. This would lead to a greater hardening of attitudes on both sides. It is important, therefore, that the richer countries pay serious attention to ameliorating the genuine grievances of the poorer countries; the imaginary grievances can then be easily exposed.

The genuine grievances are numerous. The richer countries have given enough cause for bitterness and frustration among the developing countries. If this book is able to reflect some of the bitterness and frustrations of the developing countries, my efforts will not have gone in vain.

The amelioration of genuine grievances would certainly require reorganisation of world trading and investment policies. In the short run, this may hurt the domestic economies of the developed countries. Therefore these governments will have to explain to their own people the long-term implications of alternative policies. Here the voluntary organisations and aid lobbies can play their part in creating an awareness of the issues. In fact, these organisations and lobbies themselves have opted for the line of least resistance and ignored the long-term aspects of the problem for short-term gains. It is easier for such organisations to 'educate' the public opinion but they have invariably not done so. One major role that voluntary organisations and aid lobbies can play is to get together with consumer lobbies, etc., to draw the attention of consumers to the high prices for various goods being paid due to restrictive trade policies. Similarly, attention could be drawn towards the fallacious arguments being put forward for maintaining enormous military machines to keep armament industries in high profits.

Because of my Asian background this book draws heavily on conditions prevailing there. To a considerable extent this is justifiable because the majority of the very poor live in the more densely populated countries of Asia. To be sure, no one solution is necessarily appropriate for all the different types of developing countries – be they in Asia, Africa or Latin America. My main aim has been to highlight the implications of the 'liberal' or 'democratic' solutions advocated by the 'Western' elites. It is often not realised that such solutions may have huge social costs. It is not being argued that the alternative solutions are always preferable to the 'liberal' solutions. Often they may not be. But in discarding them, care needs to be taken that this is done on

rational grounds.

In any case, the ultimate choice between alternatives rests with the elites of the developing countries who have to find their own solutions, often by trial and error. They must, however, remember that systems cannot be wholly transplanted; and that the process of finding an appropriate solution is a really painful one. Above all, the elites of the developing countries who readily blame the richer countries for continuing injustices towards them, cannot afford to ignore the issues of a fairer distribution of resources and political power at home. By evading the issue or by changing the rules of the game to suit their convenience, they may be sowing the seeds of their own destruction.

I have received considerable sympathy and support from many colleagues and friends in the course of the preparation of this book. I am deeply indebted to Mark Elvin, Lawrence Smith, Mike Tribe, George Houston, Norman Clark, Philip Thomforde, André Biro, Kurt Lewenhak and Sister Merlyn D'Sa for reading the draft and making valuable suggestions. I am particularly grateful to Gerry Mueller, Alan Whitworth and Gautam Pingle for helping me in the various stages of the completion of the book.

It is not easy for me to express my gratitude to my colleagues and friends in various divisions of the Food and Agricultural Organisation who have directly or indirectly helped in the shaping of my views on the world food problem during my long association with that Organisation. I am particularly indebted to my colleagues in the Statistics Division of the Organisation for their unfailing help.

It goes without saying that none of the people mentioned above are in any way responsible for the views expressed in the book, nor for any errors and omissions that remain.

Finally, I am grateful to my secretary, Miss Frances Stevenson, who tolerated my excessive demands on her time during the preparation of the manuscript.

Radha Sinha

Glasgow, Scotland
March 1976

LIST OF ABBREVIATIONS

ACP	African, Caribbean and Pacific countries
CAP	Common Agricultural Policy of the EEC
DAC	Development Assistance Committee
EEC	European Economic Community
FAO	Food and Agricultural Organisation of the United Nations
GATT	General Agreement on Tariffs and Trade
GNP	Gross National Product
GSP	Generalised System of Preferences
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
ILO	International Labour Organisation of the United Nations
IMF	International Monetary Fund
IWP	(FAO) Provisional Indicative World Plan for Agricultural Development
LDC	Less-Developed Country
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
SDR	Special Drawing Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children's Emergency Fund
UNIDO	United Nations Industrial Development Organisation
USDA	United States Department of Agriculture
WFP	World Food Programme
WHO	World Health Organisation of the United Nations

No man is an *Island*, intire of it selfe; every man is a
peece of the *continent*, a part of the *maine*; . . .
any mans *death* diminishes *me*, because I am involved in
Mankinde; And therefore never send to know for whom the
bell tolls; It tolls for *thee* . . .

John Donne

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INTRODUCTION

> . . . for hundreds of millions of these subsistence farmers, life is neither satisfying nor decent. Hunger and malnutrition menace their families. Illiteracy forecloses their futures. Disease and death visit their villages too often, stay too long, and return too soon.
>
> . . . What these men want are jobs for their survival, food for their families, and a future for their children. They want the simple satisfaction of working toward something better – an end to misery and a beginning of hope . . .
>
> . . . We are talking about hundreds of millions of desperately poor people throughout the whole of the developing world. We are talking about 40 per cent of entire populations. Development is simply not reaching them in any decisive degree. Their countries are growing in gross economic terms, but their individual lives are stagnating in human terms.
>
> Robert S. McNamara[1]

These excerpts from an address by the President of the World Bank symbolise the growing international concern for the 'poor', the malnourished and the unemployed whose numbers are increasing to alarming proportions. It is increasingly being realised that nutritional deficiencies are largely a function of poverty and unemployment. Attempts to accelerate the overall rate of growth of an economy, or simply to increase agricultural output do not necessarily improve the conditions of the poor. Recent experience in several countries suggests that the selective approach to agricultural development, in which scarce resources (such as chemical fertiliser, pesticides, water and extension services) are concentrated on the people, farms and regions best able to take advantage of modern technology, rarely works to the advantage of the poor. For a variety of reasons it is the richer farmers who usually benefit most from agricultural policies in most developing countries. For reasons of economy and prestige they prefer to buy tractors and other agricultural machinery rather than use traditional labour-intensive techniques, even though this may result in greater unemployment among an already underemployed labour force. Thus the people who suffer most from hunger are further deprived of the means of feeding themselves.

If the 'market' continues to be the main arbiter of how the available food is distributed both within and between countries, then the lack of sufficient purchasing power will remain the chief obstacle in the way of feeding the poor adequately. Even if the state interferes with the market through price-controls and rationing, the bureaucratic machinery which supplements or replaces private enterprise is apt to inherit its value-system. Those who have no jobs, with no purchasing power to back their demands, continue to be jobless and unable to buy food even if there is an abundance of it.

In a primarily subsistence economy, landlessness or the ownership of inadequate land may affect the poor in much the same way as lack of paid employment in a highly monetised economy. In countries with low population densities the redistribution of land, if politically feasible, and the settlement of new lands may go a long way towards providing additional employment. In densely populated countries, however, the redistribution of land with a view to creating peasant proprietorship may produce holdings too small to be viable. Thus joint farming is often the only answer. Voluntary cooperative farming, if it survives long enough, always runs the risk of turning into a rich man's oligarchy. Therefore, broadly equal economic and political status for each member is a necessary precondition for the success of a co-operative enterprise. Any programme of land reform, at least in the very densely populated countries, probably has to begin by abolishing private property in land.

In an international context, national purchasing power is largely determined by export earnings. Developing countries have a considerable need for foreign exchange to import agricultural inputs and technical know-how in order to increase domestic production, or to import grains to feed the hungry millions, not to mention industrial and manufactured imports. To think of a major breakthrough in agricultural production in the developing countries without major reforms in the world trading system is to put the cart before the horse. Any major reform of the world trading system (or any scheme for a more equitable sharing of natural resources between countries) is as strongly opposed, or as resolutely circumvented by the richer countries as are proposals for land redistribution or the nationalisation of mines and industrial enterprises by the rich within the poorer countries. Much the same goes for the sharing of international political power. The major international organisations, though not originally intended as such, have developed into oligarchies serving to rationalise perpetuation of the political power of the richer countries *vis-à-vis* the poorer countries;

those agencies with any effective power continue to be dominated by the rich countries. The realities of the world power structure are such that whatever the overt policies of the international agencies they will tend to remain marginal to the real interests of the developing countries. The comments of A. H. Boerma, the former Director-General of the Food and Agriculture Organisation (FAO), are instructive:

> . . . civilisation has a profound moral obligation to provide food for those who are hungry and in need . . . when governments, for national political reasons, side-tracked the very first attempt[2] to translate this international moral force into practical terms, one of the essential, if unwritten, principles on which the Organisation has been founded was seriously weakened. As a result FAO has never again felt itself able to put forward any great practical scheme at the same high level of bold, global vision which might have made a major impact on the world food situation that is still a disgrace to the twentieth century.[3]

The role of these agencies will continue to be restricted mainly to collecting information, financing ameliorative schemes, research projects, and organising conferences and symposia, much of which is of only academic interest. The problem of the very poor is so immense that nothing the international organisations, with their limited resources, can do is likely to make any significant difference. Whether they can make a major contribution towards providing moral and intellectual leadership with regard to world poverty, and whether they can create an appropriate climate for major national and international social, economic and political changes is doubtful. Apart from their statutory inability to interfere with the domestic policies of member governments these organisations, particularly the World Bank and the International Monetary Fund, are committed to the international maintenance of private enterprise and 'the market'. They therefore find it difficult to advocate (or even reconcile themselves to) any alternative that may undermine the *status quo*. This is reflected in the fact that to date there has been very little attempt by the UN agencies to undertake any serious research on socialist economic systems, despite the fact that the majority of member governments profess to believe in some form of socialism.

The aim of this book is to show that at both the national and international level there is a reluctance to take a realistic view of the

alternatives available in the fight against poverty, unemployment and malnutrition. Policies commonly advocated are either palliatives or suffer from misplaced emphasis. For example, population control, often put foward by the richer countries as a panacea for development problems, may not have much to offer *on its own* to many developing countries. On the other hand, the continuation of present rates of population growth will certainly put an intolerable burden on many developing countries. Even at significantly reduced rates of growth of population the *absolute* increase in the labour force in the next couple of decades will be large enough to tax all the ingenuity of governments and planners if they intend to provide some meaningful employment for the poor. It is highly probable that many poor countries will be unable to provide such increased employment opportunities under the existing framework of the market, the conventional price mechanism and private property. In the final analysis, any major eradication of poverty will not be possible until the imbalances in the distribution of world resources are corrected by appropriate trade and investment policies. The pace of change in this direction has been highly unsatisfactory and, unless some imaginative and constructive leadership emerges in the 'West', the growing discontent in the developing countries will both greatly increase the risk of confrontation between the richer and poorer countries, leading to economic chaos in the world, and hasten the 'slide' of the poorer countries into 'communism' – a highly unpalatable prospect for the 'West'. McNamara's warning,[4] though referring to internal income inequalities, could equally apply to international inequities.

> More equitable income distribution is absolutely imperative if the development process is to proceed in any meaningful manner. Policies whose effect is to favor the rich at the expense of the poor are not only manifestly unjust, but in the end are economically self-defeating. They push frustrations to the point of violence, and turn economic advance into a costly collapse of social stability.

1 NATURE OF THE WORLD FOOD PROBLEM

The popular conception of the world food problem as a race between population growth and food supply is too simplistic. It also diverts attention from more relevant issues. In its simplest form the argument is that increases in food production in the developing countries have either been outstripped by unprecedented rates of population growth or, at best, have barely kept pace with them. It is also believed that the carrying capacity of the spaceship Earth has nearly been reached; little potential for increasing production exists. The inevitable conclusion is that many developing countries will be frequented by catastrophic famines in the very near future. As a result of widespread crop failures in the early seventies such alarming prophecies have become more common.

Admittedly, the incidence of hunger and malnutrition[1] is relatively high in densely populated countries, but as will be shown later, this is related not so much to population growth as to the unequal access to land, and other sources of wealth and income in these countries.[2]

In a study of the world food problem, prepared by the FAO for the World Population Conference (1974), it has been shown (see Table 1) that at the world level the rate of growth of food production substantially exceeded population growth throughout the 1950s and 1960s.[3] In both decades, population grew at around 2 per cent per annum, while food production in the 1950s increased annually by about 3.1 per cent, slowing down to 2.7 per cent per annum in the 1960s.[4] The rate of increase of food production was much the same in both the developed and developing countries. However, population increases in the developed countries continued at around 1 per cent per annum as against 2.5 per cent per annum in the developing countries.[5] This high rate of growth of population in the developing countries was mainly the result of the successful introduction and growing acceptability of modern medicine, and the application of new ideas in public health and sanitation.

Thus the unprecedented rate of population growth which has been experienced by the developing world is itself partly a sign of the success of developmental efforts and not of failure. Undoubtedly, huge increases in population over short periods have created serious problems for some densely populated countries, particularly in their efforts to accelerate

Table 1. Annual rates of growth of population and food production

	1952-62		1962-72		
	Population	Food Production	Population	Food Production	
	(per cent)				
Regions					
North America	1.8	1.9	1.2	2.4	(2.2)
Western Europe	0.8	2.9	0.8	2.2	(2.3)
Eastern Europe & USSR	1.5	4.5	1.0	3.5	
Oceania	2.2	3.1	2.0	2.7	(3.0)
Other Developed Countries	1.3	5.0	1.3	3.5	
Developed Regions	**1.3**	**3.1**	**1.0**	**2.7**	
Africa	2.2	2.2	2.5	2.7	(2.4)
Latin America	2.8	3.2	2.9	3.1	(2.8)
Near East	2.6	3.4	2.8	3.0	(3.2)
Far East	2.3	3.1	2.5	2.7	(2.5)
Asian Centrally Planned Countries	1.8	3.2	1.9	2.6	(2.7)
Developing Regions	**2.4**	**3.1**	**2.5**	**2.7**	
World	2.0	3.1	1.9	2.7	

Based on FAO (1975), *Population, Food Supply and Agricultural Development*, Table 1, p. 2. The figures in brackets represent the growth rates between 1962 and 1974 for regions where the inclusion of 1973 and 1974 changes the trend rate of growth. Since the early 1970s were years of poor harvests in various parts of the world, the overall rates of growth of food production between 1962-74 barely kept pace with population growth in the Far East and, in fact, were slightly lower than population growth in Africa and Latin America.

the pace of economic development; the safety valve of migration, which was commonly available (and still is, though on a more limited scale) to the European countries in their early stages of development, is not available to them. But in many countries population densities are still low and an increase in numbers may often assist such countries in fully developing their resources. After all, the development of North and South America, South Africa, and Australasia owes a great deal to population increase.

It is undeniable, however, that some countries, particularly Asian countries such as China, India and Bangladesh, have serious population problems. Nor would their problems really be greatly ameliorated if

possibilities of migration were open to them; even at a much reduced rate of growth the annual additions to total population would be staggering. The leaders of these countries are well aware of the seriousness of the problem.[6] India was one of the first countries in the world to adopt population control as an official policy although, largely for social and psychological reasons, it has not achieved any appreciable success. China, in spite of its anti-Malthusian Marxist thinking, has now adopted population limitation as a major part of its development policy. There are already some hopeful signs. In several developing countries the age at marriage, particularly for girls, has gone up. There has also been some fertility decline among mothers in the younger age groups; and there have been some changes in attitude to family size. These tendencies will certainly gain momentum with the increasing education and employment of women.

There is a definite double standard in the development literature on issues of population and food. While the 'unprecedented' rates of population growth have been underlined *ad nauseam*, the similarly unprecedented rates of growth of food production in developing countries have rarely received even a casual mention. FAO figures indicate that between 1961 and 1974 at least 31 out of 101 developing countries attained a rate of growth of food production of over 3.5 per cent per annum, a rate attained by only 5 developed countries (out of 34) during the same period, while in another 26 developing countries food production increased by between 2.6 and 3.5 per cent per annum. In terms of historical experience such growth rates are unmatched. Even the much-talked-of high rates of growth of agricultural output in Japan after the Meiji Restoration in 1868 did not exceed 2 per cent per annum. There is still some controversy as to whether the actual rate was much more than 1 per cent but earlier estimates of a 3 per cent growth rate have now been scaled down to 2 per cent.[7]

During the last two decades (1952-72) food production failed to keep pace with population growth in over a third of the developing countries. However, these countries account for only 14 per cent of the total population of the developing countries. Besides, many of these countries are producers of petroleum (e.g. Iraq and Indonesia) or cash crops such as sugar (e.g. Mauritius). Under the circumstances, the increasing incidence of hunger and malnutrition in developing countries cannot be explained wholly in terms of the failure of agriculture to keep pace with population growth.