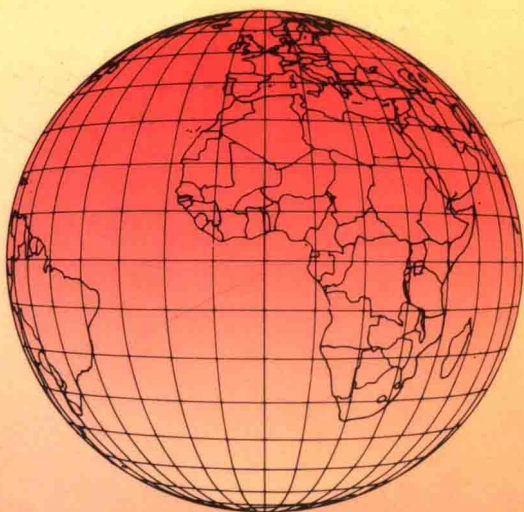


# FOOD AID

THE CHALLENGE AND THE  
OPPORTUNITY



HANS SINGER  
JOHN WOOD  
TONY JENNINGS

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*The Challenge and  
the Opportunity*

Hans Singer  
John Wood  
Tony Jennings

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## Foreword

*Dianne Spearman*

A little more than two years ago, images of widespread famine dominated our TV screens for the first time in a decade. Public reaction was prompt and generous. On both sides of the Atlantic, concerned citizens involved themselves in the funding, delivery, and distribution of food aid in an unprecedented way. In my own country, Canada, public donations outstripped sizeable government allocations for affected countries, and dozens of churches, schools, and organizations mirrored the humanitarian spirit of Bob Geldof and Band-Aid. *Food Aid: The Challenge and the Opportunity* makes a timely appearance during a period of heightened public interest in food aid as a humanitarian response to drought and civil strife.

Public support for food aid in crisis situations has not been matched by a general understanding of the contribution food aid can make to longer term solutions to world hunger. And yet donor countries direct more food aid to long-term developmental objectives than to emergencies. *Food Aid: The Challenge and the Opportunity* will make an important contribution to public awareness and debate by offering the general reader a balanced and comprehensive view of both food aid's developmental potential and its pitfalls. It stands out among recent publications on this subject in being thoughtful rather than polemical, by judging food aid on its own merits rather than portraying it as a second choice alternative to financial aid in the abstract, and by placing it in the context of long-term development assistance rather than famine relief.

Food aid has changed a great deal in the last decade. Once a mechanism for disposal of food surpluses, it is now increasingly considered by development specialists as a resource transfer to promote economic growth and enhance food security in recipient countries. Without demanding specialist knowledge of the reader,

Dianne Spearman is in charge of the Canadian food aid programme within the Canadian International Development Agency.

Professor Singer and Messrs. Wood and Jennings, all specialists in this field, share their views and experience on the use of food aid as a tool for development. In doing so, they draw not only upon academic analysis of development but also upon the practical insights gained as they and their colleagues at the Institute of Development Studies have offered guidance to decision-makers in food aid donor agencies.

One of the lasting contributions the authors and their colleagues have made is to shift debate away from fruitless discussion of whether or not food aid is 'good' aid, to a more sophisticated and analytical consideration of what it can achieve, in what circumstances, and what must be done to ensure that it is effective. Food aid is a resource which, like all others, can be used either well or unwisely. Much of this book explains for the general reader what is involved in using it well.

The effective use of food aid to address longstanding structural food problems can mean many different things. The proceeds from its sale in recipient countries may be used to invest in increased agricultural production, or food aid may provide direct assistance to the very poor who lack the income to buy the food needed to meet their nutritional requirements. In other cases, it may support policy reform or contribute to secure food supplies and stable prices. By showing the reader the various ways in which food aid can contribute to lasting food security, the authors have underlined its enormous developmental potential. By explaining that each type of food aid has its own requirements for effectiveness, they also reveal something of its complexity.

The obvious conclusion is that food aid must be carefully managed. The large and growing needs of developing countries for imported food mean that food aid will be an important component of development assistance for years to come, and it is essential that recipient countries derive maximum long-term benefit from such massive resource transfers. It is also important to heed the cautionary note of Chapter 11 concerning disincentive effects and the potential dangers of dependency.

Like other kinds of development assistance, food aid can have negative as well as positive results. But negative effects are by no means inevitable. This book provides concerned citizens and government decision-makers with an explanation of how potential problems may be avoided, so that food aid will not substitute for

local production but rather stimulate agricultural growth while alleviating chronic hunger.

These are concerns which we in Canada hear constantly expressed by parliamentarians, the press, and the public. The same interest in the long-term impact of food aid is voiced in other donor countries. Continued public support for large food aid programmes will therefore depend on its development effectiveness. Food surpluses will not make the case for food aid. It will have to be clear that food aid is a good investment in future food security, a development transfer which is at least as efficient and effective as competing claims on limited development assistance budgets. Donor agencies will be called upon to demonstrate that food aid is not a disincentive to local farmers, that it supports and complements agricultural development activities, that it helps to prevent recurring 'emergencies', and that it assists and encourages recipient governments to invest in their rural areas and maintain policy frameworks which stimulate productivity.

*Food Aid: The Challenge and the Opportunity* shows clearly that food aid can make an important contribution to long-term food security in all of these ways. It explains what this means in practical terms and draws attention to the careful planning and management needed to realize its full developmental potential. Food aid will be with us through the rest of this century, and it will only be as effective as donors and recipients together choose to make it. This is the challenge and the opportunity.

## Preface

The importance of the subject of our book needs no emphasis. Food aid, whether we like it or not, is with us—not only to stay but also very probably to increase. It is a vital element in the welfare and indeed the survival of many millions of people in the poorer countries of the world, particularly in Africa. It is also a very controversial subject: as has been said of other matters 'you cannot live with it and you cannot live without it'. I think most reasonable people would, however, agree that food aid, if improperly handled, can do more harm than good, and there are plenty of horror tales to testify to that. Yet equally, when properly handled food aid can do a great deal of good and can be a vital instrument of development—and there are plenty of success stories to testify to *that*. That at least is the line which we pursue here.

We hope this book will be useful to any reasonably educated person who wants to inform himself about such an important instrument of policy and development. At the same time we hope that, for the more academically-minded, this book may also be an introduction to, and a guide through, the formidable and quite exhaustive literature which has grown up around the subject.

All the three authors, in their various ways, are people who have had considerable administrative and field experience in handling and studying food aid in a variety of circumstances. This includes food aid given bilaterally on a national basis, multilaterally through UN organizations (particularly the UN World Food Programme in Rome) and through voluntary non-governmental organizations (NGOs). We hope these experiences are reflected in our book. It is hardly necessary to say that none of the organizations with which we are connected has any responsibility for the contents of this book. This responsibility is entirely ours.

The book was written at the Institute of Development Studies at the University of Sussex. This has been of great benefit to us since we were able to draw on the excellent library and other facilities of the Institute; in particular, we had the benefit of exchanges of views with other colleagues who have equally specialized on food aid questions. The existence of a food aid 'cluster' of economists

involved in food aid questions is indeed one of the features of the IDS. Among the colleagues to whom we are thus indebted are E. J. Clay, Tony Leeks, Simon Maxwell, and John Saunders. We are also indebted to John Shaw of the World Food Programme. Once again it is needless to say that none of the above should be held accountable for any errors or omissions on our part.

We are also grateful to all those, at the IDS and elsewhere, who helped with the typing and other preparation of the manuscript, and to the Oxford University Press for their efficient editing and for suggesting many improvements and amendments to our original manuscript.

H. W. S.

J. B. W.

A. J.

## Abbreviations

AFBF	American Farm Bureau Federation
CAP	Common Agricultural Policy (of the EEC)
CARE	Co-operative for American Remittance to Europe Co-operative for American Relief Everywhere (from 1949)
CCC	Commodity Credit Corporation
CCP	Committee on Commodity Problems
CFA	Committee on Food Aid Policies and Programmes
CFS	FAO Committee on World Food Security
CIDA	Canadian International Development Agency
CNAE	Companha Nacional de Alimentação Escolar
Comecon	Economic Association of Communist Countries
CRS	Catholic Relief Services
CSD	Committee on Surplus Disposal
DSM	Dried skimmed milk
DWM	Dried whole milk
EC	European Community
EEC	European Economic Community
ECOSOC	Economic and Social Council (of the UN)
EDF	European Development Fund
EGS	Employment Guarantee Scheme
ETU	Emergency Transport Unit
FAC	Food Aid Convention
FAO	Food and Agriculture Organization (of the UN)
FAS	Foreign Agriculture Service
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
IAC	Intergovernmental Advisory Committee
IBAP	Intervention Board for Agricultural Produce
IBRD	International Bank for Reconstruction and Development (also known as the 'World Bank')
ICARA	International Conference for Assistance to Refugees in Africa
ICCH	International Commodity Clearing House

ICRC	International Committee of the Red Cross
IDA	International Development Association
IDS	Institute of Development Studies (at the University of Sussex)
IEFR	International Emergency Food Reserve
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IGCR	Intergovernmental Committee on Refugees
ILO	International Labour Office
IMF	International Monetary Fund
IWA	International Wheat Agreement
IWC	International Wheat Council
LDC	Less developed countries
LWF	Lutheran World Federation
MCH	Mother and Child Health (Centres)
MSA	Most severely affected areas
NFDM	Non-fat dried milk
NFIU	Non-food items unit of WFP
NGO	Non-governmental Organization
ODA	Overseas Development Administration
OECD	Organization for Economic Co-operation and Development
OSRO	FAO's Office of Special Relief Operations
UBR	Uncommitted budgetary resources
UMR	Usual marketing requirements
UNBRO	United Nations Border Region Operation
UNDP	United Nations Development Programme
UNDRO	United Nations Disaster Relief Organization
UNHCR	United Nations High Commission for Refugees
Unicef	United Nations International Children's Emergency Fund
UNRRA	United Nations Relief and Rehabilitation Administration
USAID	United States Agency for International Development
WFP	World Food Programme

### **Note on 'tons', 'tonnes', and 'metric tons'**

- A metric ton = 1000 kg and is the same as a 'tonne'. Conventional forms of writing this are either 'tonne' or 'MT'.
- A US ton is 2000 lb due to their 'hundredweight' being 100 lb rather than the UK 112 lb which give a ton of 2240 lb, known in US parlance as a 'long ton'.
- The difference between the UK or long ton and the metric ton is therefore negligible but amounts to over 10 per cent in the case of the US ton.
- In this text US figures are quoted in US tons whereas international and European data are cited in 'tonnes', i.e. 1000 kg or 2246 lb.

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## INTRODUCTION

The need for food aid to relieve appalling conditions in many parts of the globe is patent. Modern communication systems, television, and vivid reporting have brought human disaster right into millions of living rooms. The response to harrowing scenes of malnutrition, starvation, and deaths continues to be remarkably generous on the part of a multitude of individuals touched by the sufferings of fellow humans, cutting across the barriers of distance and race.

This concern attests to the development of an international conscience with a sense of personal involvement on the part of ordinary people. It has not always been so. At the beginning of this century the death of a few tens of thousands of people in, say, floods in Bengal or famine in Africa would hardly rate more than a couple of lines in a European or North American newspaper. Even the great potato famine in Ireland in the middle of the last century did not raise any international response. Those who despair of humanity ever making any moral progress should take heart from these recent developments.

Adverse economic trends in many of the traditional donor nations do not appear to have diminished the generous responses to human suffering so far as the individual is concerned, so that a regression into a state of unconcern is unlikely. These responses, though, have their limitation as they are mostly related to emergencies and disasters of one kind or another, but disasters such as starvation, famine, and drought are but the visible tip of a network of deeper and more complex problems. If the scenes of hunger and infant mortality are to stop appearing with their now almost monotonous regularity, taxing the new-found generosity of individuals, attention will need to be focused, with equally meaningful responses, on these deep-rooted problems and not just on the tip of the problem each time it breaks surface. This is a far more exacting task for which there are many theories, but we must find effective ways to pass the baton from food aid to long-term development.

The ultimate mission of food aid is much more than just a

palliative to salvage a limited number of disaster-stricken people; its challenge is to work itself out of the need to provide food aid at all, by making those aided self-reliant as producers or buyers of food.

# 1 FOOD AID:

## *What is it? Who needs it?*

Taken in its widest sense, every infant and young child in this world is a recipient of food aid and depends upon it for survival. The fact is, though, that food given to an infant or young child by its mother and from the earnings or other resources of its parents is not generally looked upon as being a form of food aid, since the care of children is regarded as being part of family life and family obligations. Yet if this food was not provided from a source external to the infant recipient, it would not survive. Looked at in this way, then, it can be said that any individual who is unable, for any of a variety of reasons, to provide for his own sustenance through his own resources is in need of food aid. The establishment of a need for food aid or entitlement to it, does not of course mean that the individual will necessarily receive it, since that will depend on a whole range of economic and social factors. However, when viewed from this angle the need for food aid will reveal a range of potential recipients who depend, or might have to depend, on food aid (that is, food from an external source) for survival. This approach will thus be found to provide a better insight into the great potential as well as the considerable complexities of food aid as a concept, and is more meaningful than looking upon it merely as an *ad hoc* hand-out to certain distressed sections of humanity whose plight may have been temporarily highlighted by the media.

If one moves beyond the immediate family responsibilities of providing for young children, it will be found that in many societies the concept of responsibility extends to a much wider family circle, to include more distant relatives who might for one reason or another be unable to provide for their own sustenance from their own resources through age, illness, displacement, loss of a parent or of employment, crop failures, and so forth. In most industrialized countries this concept has now been taken considerably further, to include all members of the society within a network of social arrangements, leading to the creation of the Welfare State.

Although most citizens now take this state of affairs as a natural right, it should not be forgotten that its generalization is of quite recent historical date—as readers of Dickens will be aware. In fact, the development of social security systems was a long and frequently discontinuous process, linked not only to the arousing of social conscience but also to the ability of the economy to provide the necessary services and finance. *Zakat* or almsgiving for the sustenance of the poor is one of the pillars of the Islamic faith as it is of Christianity. The tradition survived in Britain in the Middle Ages as the distribution of Maundy money by the Crown and in the construction and running of almshouses. Various professional associations or guilds in many European countries also set up schemes to care for their elderly or incapacitated members. A number of religious and charitable organizations would provide health care and communal kitchens to certain deprived groups. It was not until the beginning of this century, however, with a growing social conscience, the development of trade unions, and the establishment of efficient revenue collection methods in the larger nation states, that nation-wide systems such as we now know, began to be developed.

This generalization of the sustenance concept naturally brought with it all the necessary depersonalized procedures designed to ensure proper accountability for the use of tax-payers' monies and national resources. A state could not undertake such a custodial role without laying down various eligibility criteria for food aid as well as other indirect means of providing sustenance such as health services, extended credit facilities, relocation grants, housing subsidies, retraining programmes, and so on: basically any facility that would enable an individual to restore his or her productive capacity. If no conditions were imposed on access to such aid, human nature being what it is, a total initiative-stripping dependency would result.

### The Concept of International Responsibility

Much of the current discussion of the pros and cons of food aid stems from the fact that the international community of nations is groping its way towards the establishment of some kind of international social security system, and the state of the art as well as much of the argumentation in favour or against is rather similar to

that relating to the development of national schemes in industrialized countries four or five decades ago. Some regard the whole process of providing any form of charity or social security as a brake on personal or collective initiative and therefore a disincentive to development and productivity, while others maintain that deprivation, wherever it might occur, must be remedied in view of the increasing interdependence of all states in the modern world and the development of what might be termed an international social conscience. The essential difference between established social security systems and the current thinking about questions of food aid, is that the former takes care of the deprived, temporarily or otherwise, in reasonably affluent and developed societies, while the latter has to take into consideration not only the deprived in other parts of the world, but also the need to help those other states to develop their economies and their productivity to a point where they would be able to organize their own systems of social and food security. In the short run it is the former 'bailing out' actions that predominate and make the news headlines, but in the long run it is the latter developmental considerations that alone can solve the problem satisfactorily. In industrialized countries as well as in regional groupings such as the European Economic Community (EEC) there are areas of relative deprivation or poverty which need to be more heavily subsidized or underpinned than others; the same factors are obviously also operative in respect of developing countries of the so-called 'Third World'.

A measure of the development of an international social conscience is provided by a comparison of the objectives and the membership of the League of Nations which was set up following the Treaty of Versailles after the 1914 war, and those of the United Nations established in connection with the 1945 peace. Two other major milestones in this process, not initially having any apparent connection with food aid, were the Bretton Woods agreement signed in 1944 and the launching of the Marshall Plan for the reconstruction of war-torn Europe in 1947. The former provided the framework for international financial stability among the principal countries with free market economies, thus enabling development and reconstruction to take place by this means while the latter provided for various forms of assistance to Europe. Once in operation it was found that almost half of the Marshall Plan expenditures were on food aid; the needs for this gradually decreased as