



Food Security: A Pan-African Perspective

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1. Background

The World Food Conference/Current Status/ Drivers of Food Insecurity

1970's – The World Food Conference

The World Food Conference was held in **Rome from 5 to 16 November 1974** and attended by representatives of 133 states, 15 Agencies, Funds and Programmes, six national liberation movements, 26 intergovernmental organizations, and observers from 161 international and national non-governmental organizations.

The Conference adopted the "**Universal Declaration on the Eradication of Hunger and Malnutrition**", which stressed that “[e]very man, woman and child has the inalienable right to be free from hunger and malnutrition in order to develop fully and maintain their physical and mental faculties”.

REPORT OF THE WORLD FOOD CONFERENCE

Rome, 5-16 November 1974

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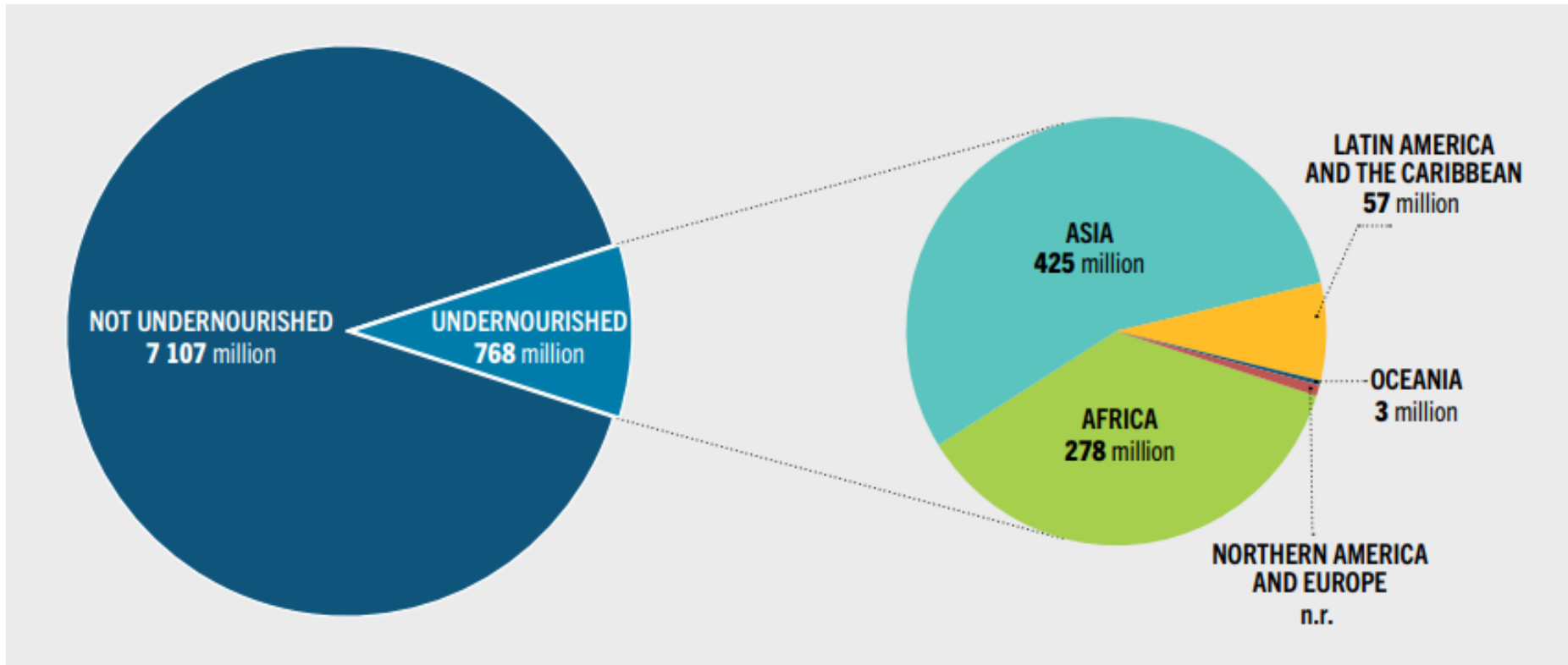
UNITED NATIONS

It also recognized that:

- The elimination of hunger and malnutrition and the causes determining this situation had to be **common objectives for all nations**.
- Hunger and malnutrition was a result of **historical circumstances**, such as social inequalities, in many cases alien and colonial domination, **foreign occupation, racial discrimination, apartheid and neocolonialism** in all its forms.
- The situation has **been aggravated** in recent years due to the deterioration of the international monetary system, the inflationary increase on import costs and an external debt on the balance of payments of many developing countries, between other causes.

Food Security & Nutrition in the World in 2021 (1)

MORE THAN HALF (425 MILLION) OF THE PEOPLE IN THE WORLD AFFECTED BY HUNGER IN 2021 WERE IN ASIA AND MORE THAN ONE-THIRD (278 MILLION) IN AFRICA

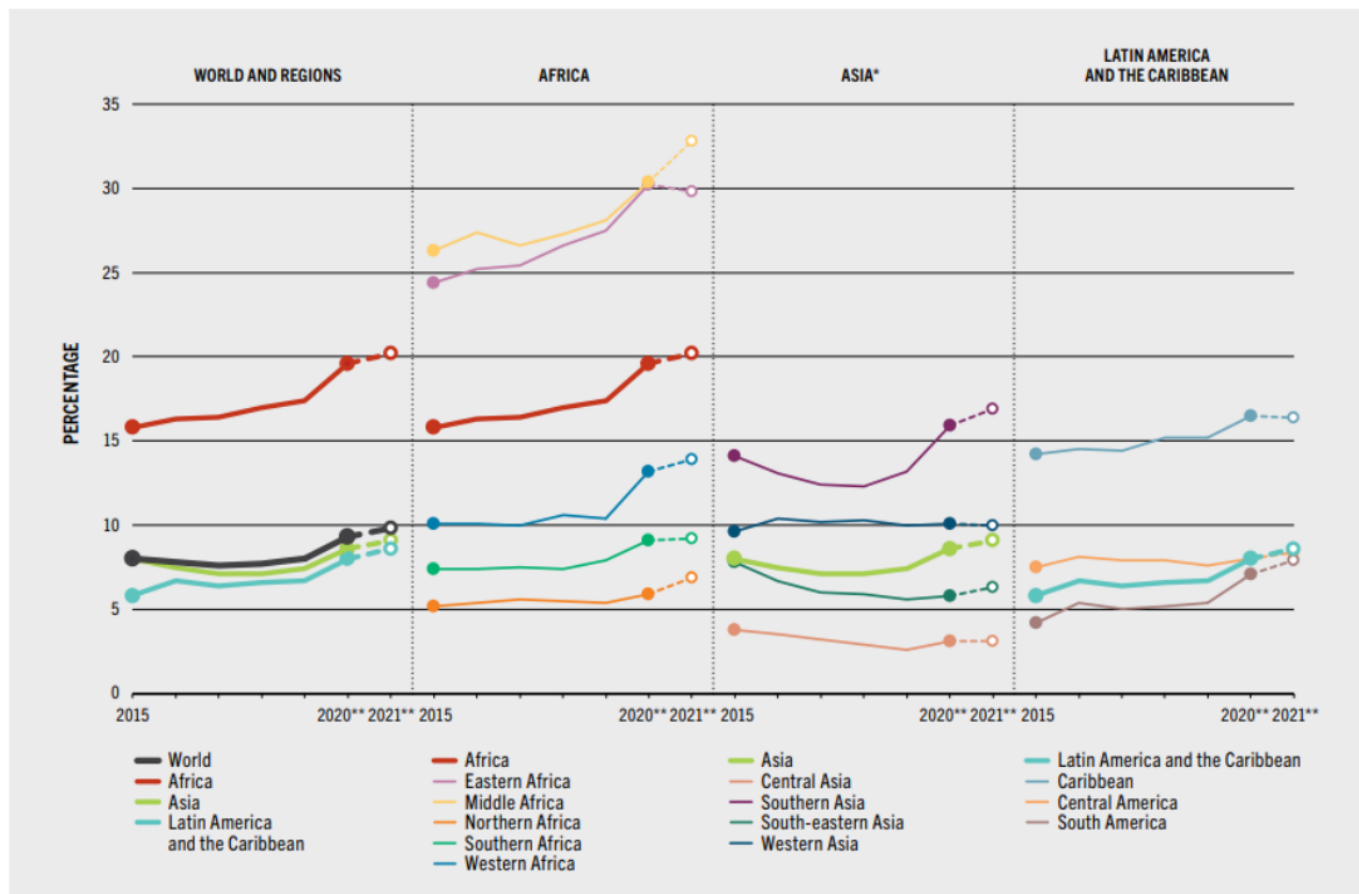


Food Security & Nutrition in the World in 2021 (2)

**THE
CONCENTRATION
AND DISTRIBUTION
OF FOOD
INSECURITY BY
SEVERITY DIFFERS
GREATLY ACROSS
THE REGIONS OF
THE WORLD**



Food Security & Nutrition in the World in 2021 (3)



AFTER INCREASING FROM 2019 TO 2020 IN MOST OF AFRICA, ASIA AND LATIN AMERICA AND THE CARIBBEAN, THE PoU CONTINUED TO RISE IN 2021 IN MOST SUBREGIONS, BUT AT A SLOWER PACE.

Food Security Dimensions

ECONOMIC & PHYSICAL ACCESS TO FOOD

...requires policy focus on incomes, expenditure, markets and prices to achieve food security objectives.

STABILITY OF THE THREE DIMENSIONS OVER TIME

...refers to the inadequacy to access food on a periodic basis due to adverse weather conditions, economic instability or political factors, in between others.

PHYSICAL AVAILABILITY OF FOOD

...is determined by the level of food production, stock levels and net trade

FOOD UTILIZATION

...is linked to the nutritional status of individuals and the need for good care and feeding practices and a diverse diet.



2. Root Causes

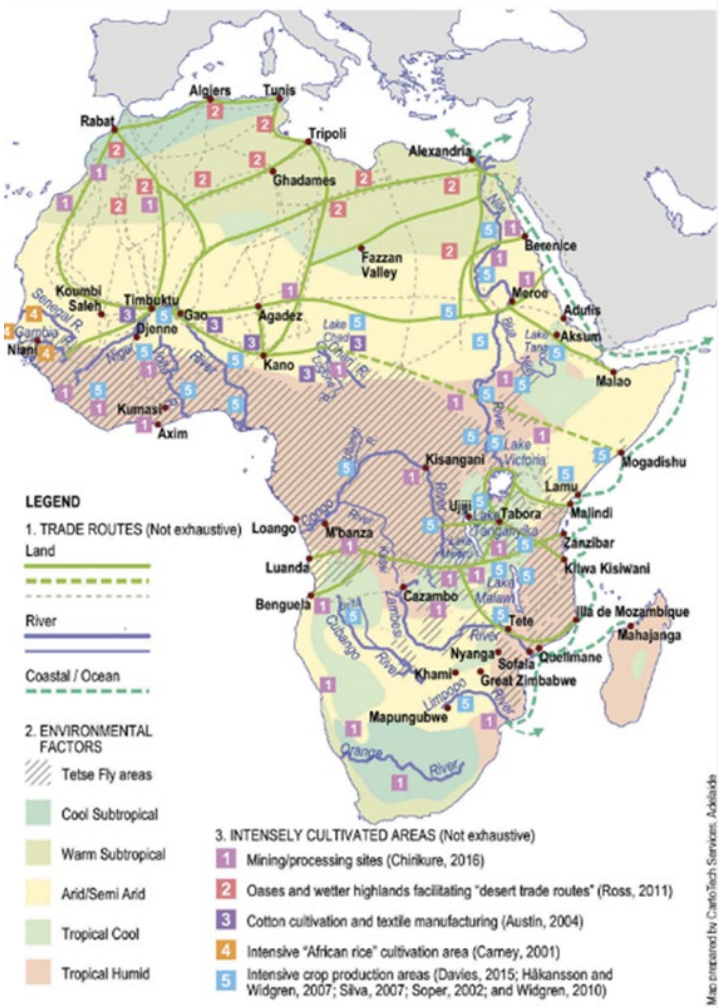


Historical/ Current Key Drivers

Pre-colonial Trade

- ▶ Before the 15th century, the African continent had been part of successive economic world systems.
- ▶ Highly developed and complex socio-economic and political systems existed.
- ▶ Where possible, diverse agricultural systems evolved and adapted to local biophysical conditions.
- ▶ The balance of power shifted to the European traders during the 18th century.

Pre-colonial Trade Routes



The Berlin Conference

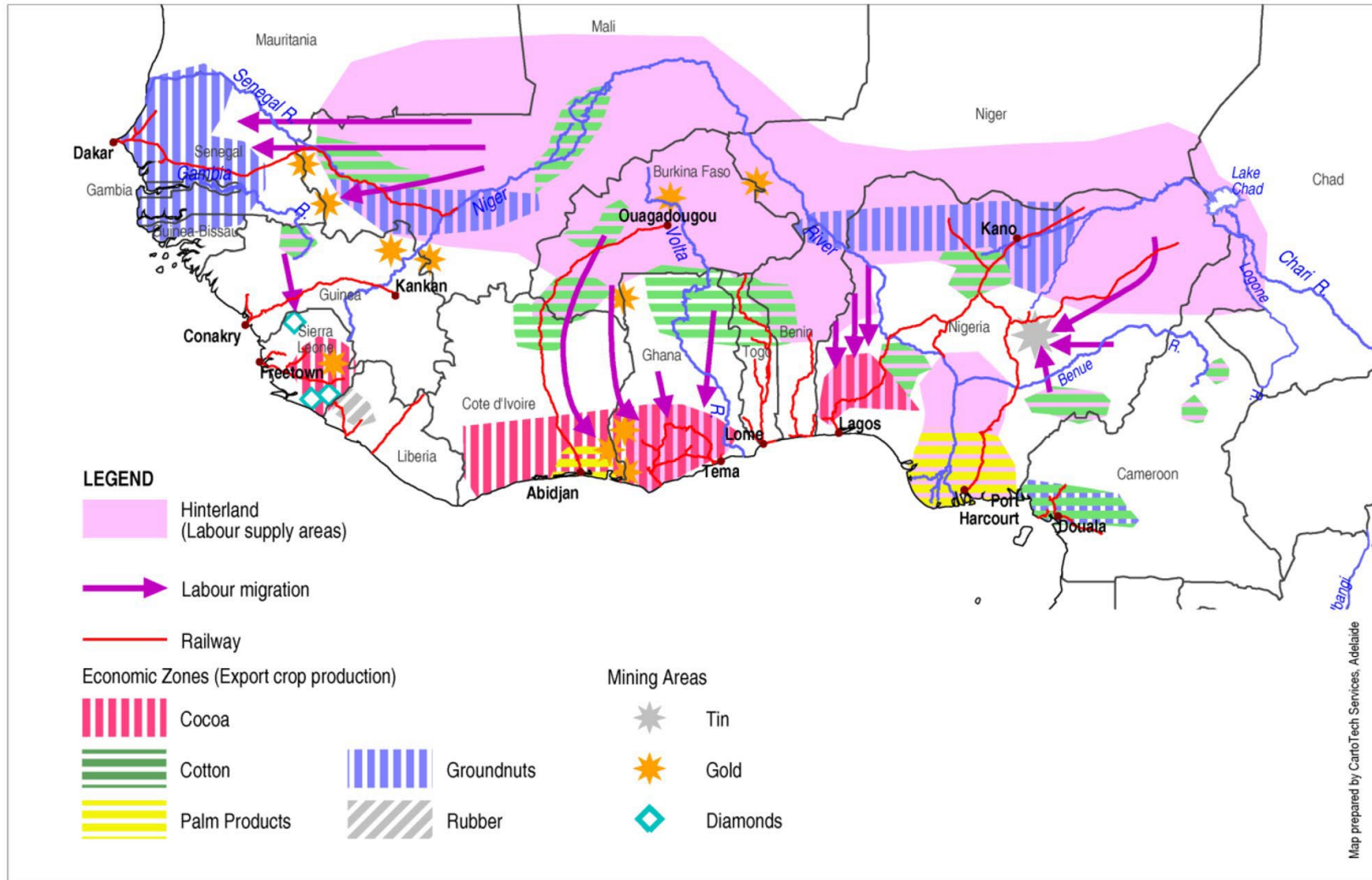
- ▶ In 1884, at the request of Portugal, German chancellor Otto von Bismark called together the major western powers of the world in Berlin.
- ▶ Bismark appreciated the opportunity to expand Germany's sphere of influence over Africa.
- ▶ At the time of the conference, 80 percent of Africa remained under traditional and local control.
- ▶ This new map of the continent was superimposed over 1,000 indigenous cultures and regions of Africa.

Bjornlund,V, Bjornlund, H. & van Rooyen (2022)

Impacts of Colonialism on Food Security (1)

- ▶ Africa's transition to the production of export crops was a product of two historical events: the abolition of the slave trade and industrialization in the north Atlantic.
- ▶ As exports expanded, labour was diverted from household food production. Simultaneously, African farmers were forced to clear more marginal lands for household food production.
- ▶ The colonial powers focused on two or three export crops in each colony.

Colonialism in the 1920s: Export Crop Production & Labour Migration in Western Africa



Impacts of Colonialism on Food Security (2)

- ▶ European administrations used “indirect rule” by adapting existing institutions to suit their needs.
- ▶ Native leaders were given the responsibility for tax collection, export quotas, food requisitions, and labour recruitments.
- ▶ The economic rewards and the ability to grant privileges gave local chiefs powers above their traditional roles.
- ▶ This shift in the role of native authorities undermined the social fabric of trust and inter-dependency.

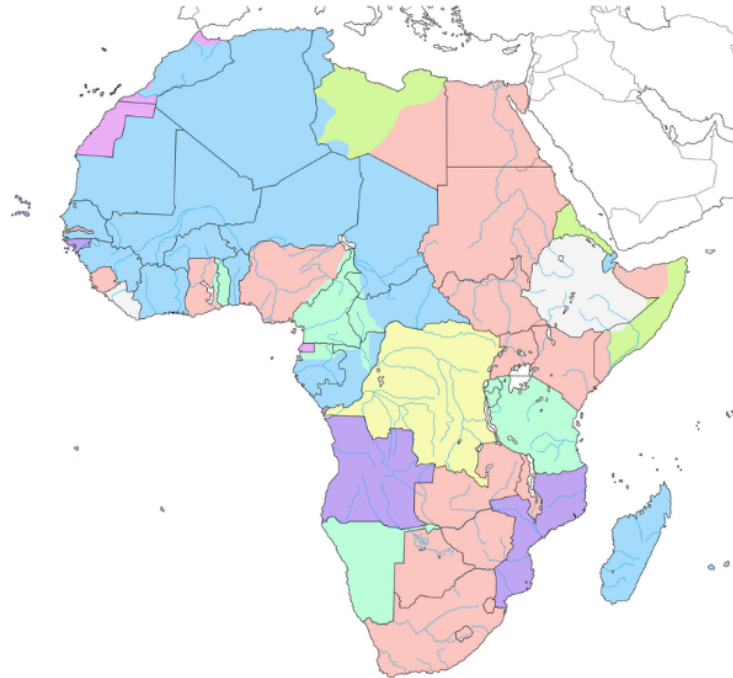
Dying Days of Colonialism

- ▶ Opposition to colonialism, in the colonies and Europe, increased in response to persistent reports of poverty and lack of access to basic needs.
- ▶ By 1955, Britain had planned or implemented 55 projects to increase export crop production, most failed, leaving post-independence nations with debt and non-productive assets.
- ▶ In 1961, France took control of the national currency reserves of fourteen West African countries, retaining considerable control over their spending.

Impact of Colonialism on Food Security

European nations **divided** Africa between them to prevent conflict from the **increasing competition for resources**.

European access to land, mines, and forests was achieved by **vesting land and resources** in the **colonial administrations**.



African farmers' land access became conditional on the **delivery of export crops, and food requisitions** for the mines, public works, and colonial administration.

Custom duties were the preferred revenue, and **infrastructure investments were restricted** to ports, railroads, and roads to facilitate exports.

Post-Independence

- ▶ SSA governments assumed leadership of impoverished economies.
- ▶ Independence did not achieve the cultural, political, and economic changes that were necessary to ensure that governments linked economic development to societal objectives.
- ▶ The continued dependence on export production to fund development and service loans proved to be an unviable strategy.
- ▶ Governments used international loans to subsidize land and inputs for large farms that were mainly on newly cleared land.

Current Key Drivers of Food Insecurity

• **CLIMATE CHANGE** •

1/3 of the world's droughts occur in Sub-Saharan Africa with Ethiopia and Kenya enduring one of the worst in at least 4 decades.

• **COST-OF-LIVING CRISIS** •

The war in Ukraine and the resulting inflation has especially affected 25 African economies given that at least 1/3 of their wheat imports come from Ukraine and/or Russia

• **VIOLENT CONFLICT**

Conflict has a detrimental effect on food production as farmland and surrounding rural areas often become conflict epicentres. Food insecurity may be a cause for conflict as well.

• **COVID-19**

Since 2020, the pandemic has pushed around 40 million African people into poverty.

Way Forward

Trade Facilitation/ Africa's Structural Transformation/ Concluding Remarks

Free Trade

- ▶ Benefits of free trade are well acknowledged in economic theory.
- ▶ Trade liberalization allows countries to better exploit their comparative advantages.
- ▶ In addition, several indirect effects exist, such as increased productivity growth, economies of scale, access to better technologies, rationalization gains, improved price signals and restraint for government corruption, among others.

Food and Agricultural Trade

- ▶ Trade connects Agrifood systems and people.
- ▶ It provides consumers worldwide with sufficient, diverse and nutritious food.
- ▶ It generates income and employment for farmers, workers and traders in the entire agricultural and food industry across countries.
- ▶ Globally, trade can help balance food supply and demand.
- ▶ It also contributes to ensuring dietary diversity.

Trade and Food Security

- ▶ Comparative advantage, trade policies and trade costs shape global food and agricultural markets.
- ▶ In agriculture, the influence of comparative advantage is significant relative to other sectors of the economy.
- ▶ Across countries, large differences in relative agricultural productivity strengthen comparative advantage and increase the incentives to trade and the potential gains from trade.

Key Drivers of Trade in Food & Agriculture (1)

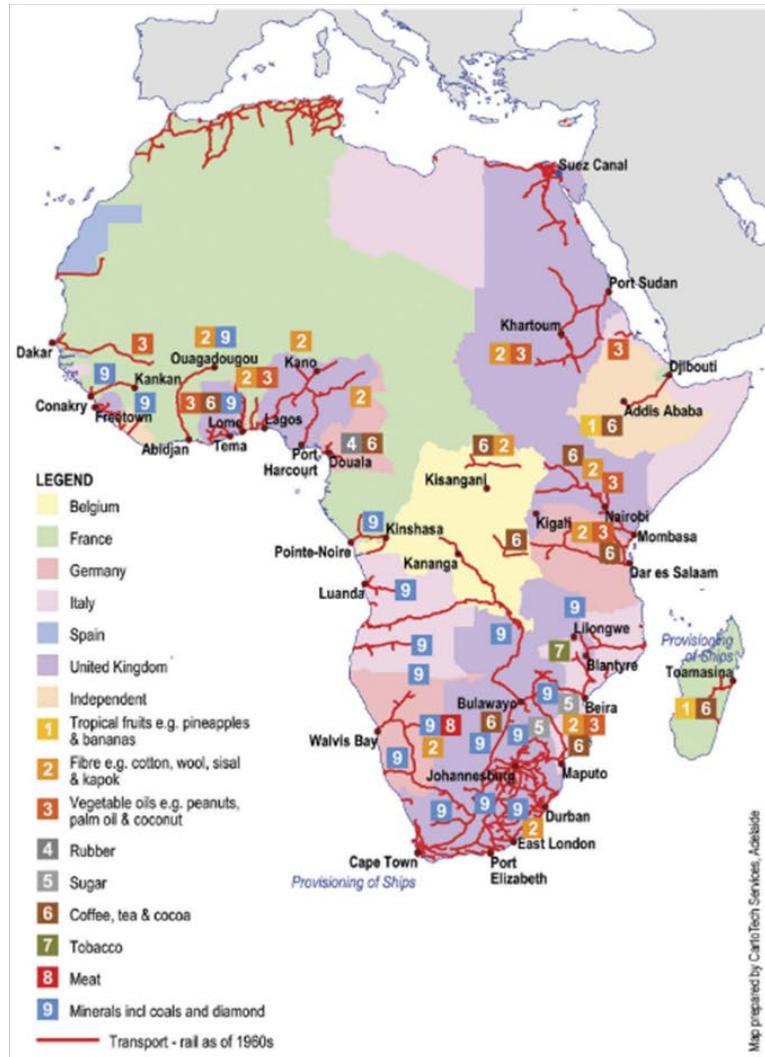
- ▶ Natural resources form an integral part of a country's factors of production.
- ▶ Differences in natural resource endowments across countries contribute to determining comparative advantage and to shaping food and agricultural trade patterns.
- ▶ For a country, agroclimatic conditions and land and water availability contribute towards determining the volume and composition of agricultural production.

Key Drivers of Trade in Food & Agriculture (2 / 1)

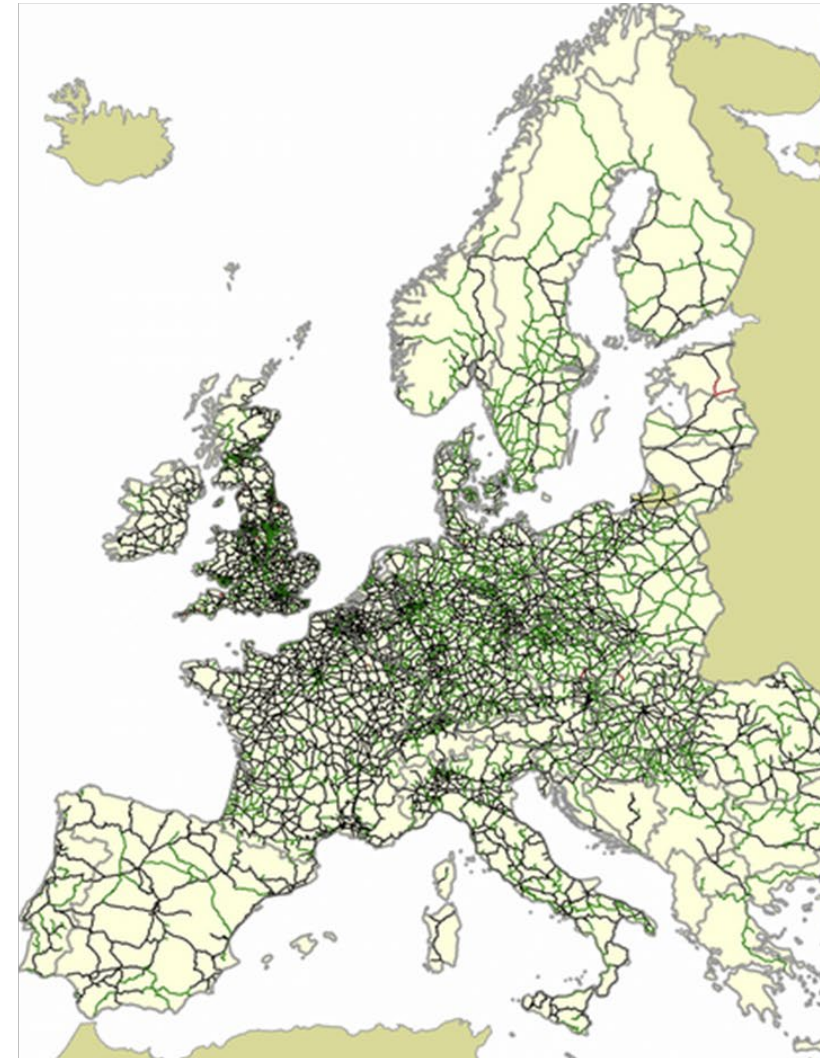
- ▶ Trade costs, in general, strongly influence trade flows.
- ▶ Transport costs are significant, increase with distance and influence food and agricultural trade between countries.
- ▶ They are also significantly higher in developing countries where transport and communication infrastructure are relatively poor.

Key Drivers of Trade in Food & Agriculture (2a)

AFRICA



EUROPE

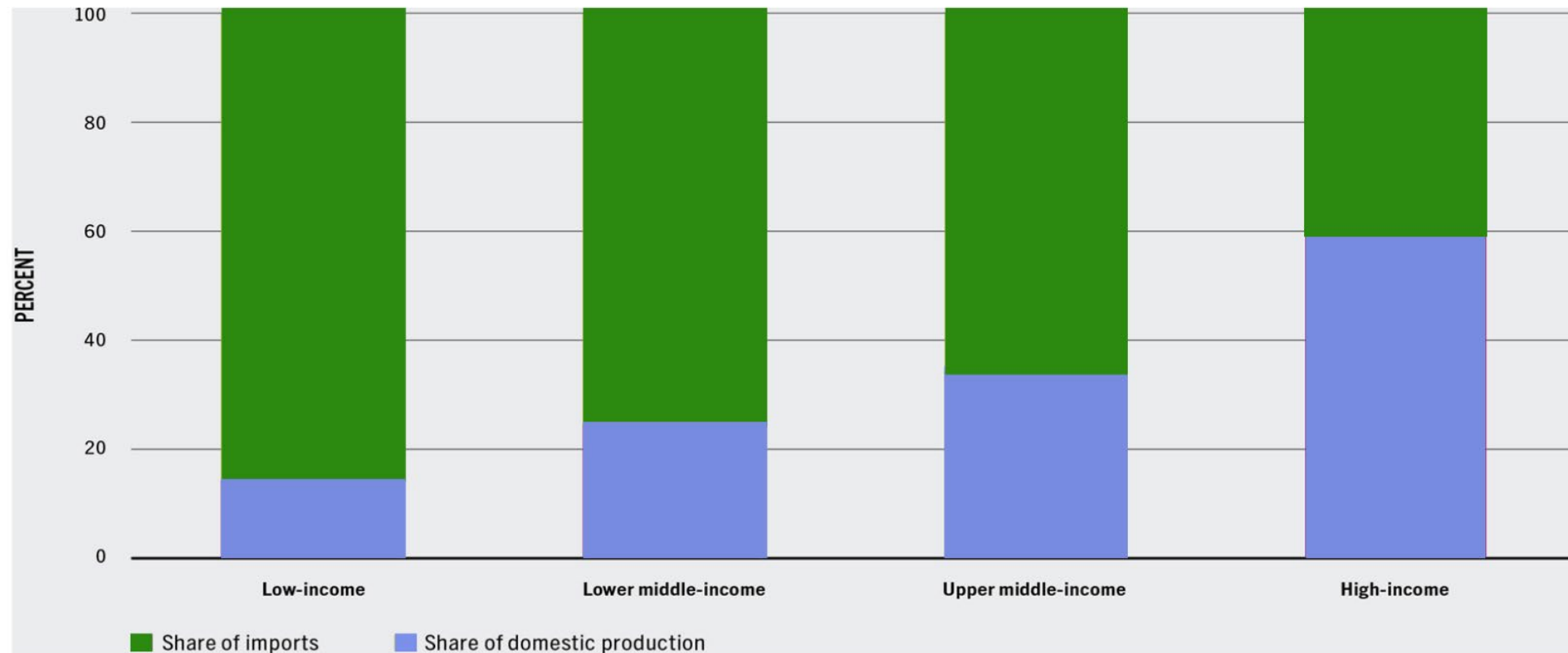


Key Drivers of Trade in Food & Agriculture (2/2)

- ▶ Low-income countries face significantly higher trade costs than high-income economies.
- ▶ This affects the role of trade in ensuring food security, and in facilitating structural transformation and growth.
- ▶ Countries that face high trade costs tend to have expanded agricultural sectors to meet their food requirements.
- ▶ Within sub-Saharan Africa, low strength of comparative advantage and high trade costs translate into low levels of intra-regional trade.

Key Drivers of Trade in Food & Agriculture (2b)

SHARE OF IMPORTS AND DOMESTIC PRODUCTION IN TOTAL FOOD CONSUMPTION.



Key Drivers of Trade in Food & Agriculture (3 / 1)

- ▶ Nowadays, technology differences across countries still drive international trade in food and agricultural products.
- ▶ Technology underpins a country's absolute advantage in trade – it determines how the factors of production, such as land and labour, are combined, making them more productive and reducing costs.
- ▶ In food and agriculture, technology includes anything that can influence the transformation of production factors into outputs.

Key Drivers of Trade in Food & Agriculture (3/2)

- ▶ Agriculture is unique in that, on average, technology accounts for about three-quarters of productivity growth at the global level, while increases in the factors of production, such as land, make up for one-quarter of productivity growth.
- ▶ The agricultural productivity gap between high- and low-income countries is vast.
- ▶ Researchers suggest that the large productivity gap in agriculture can be due to significant barriers to technology adoption and limited access to modern inputs.

Key Drivers of Trade in Food & Agriculture (3a)



**VALUE OF
AGRICULTURAL
PRODUCTIVITY
AND GROSS
DOMESTIC
PRODUCT PER
CAPITA, 2019**

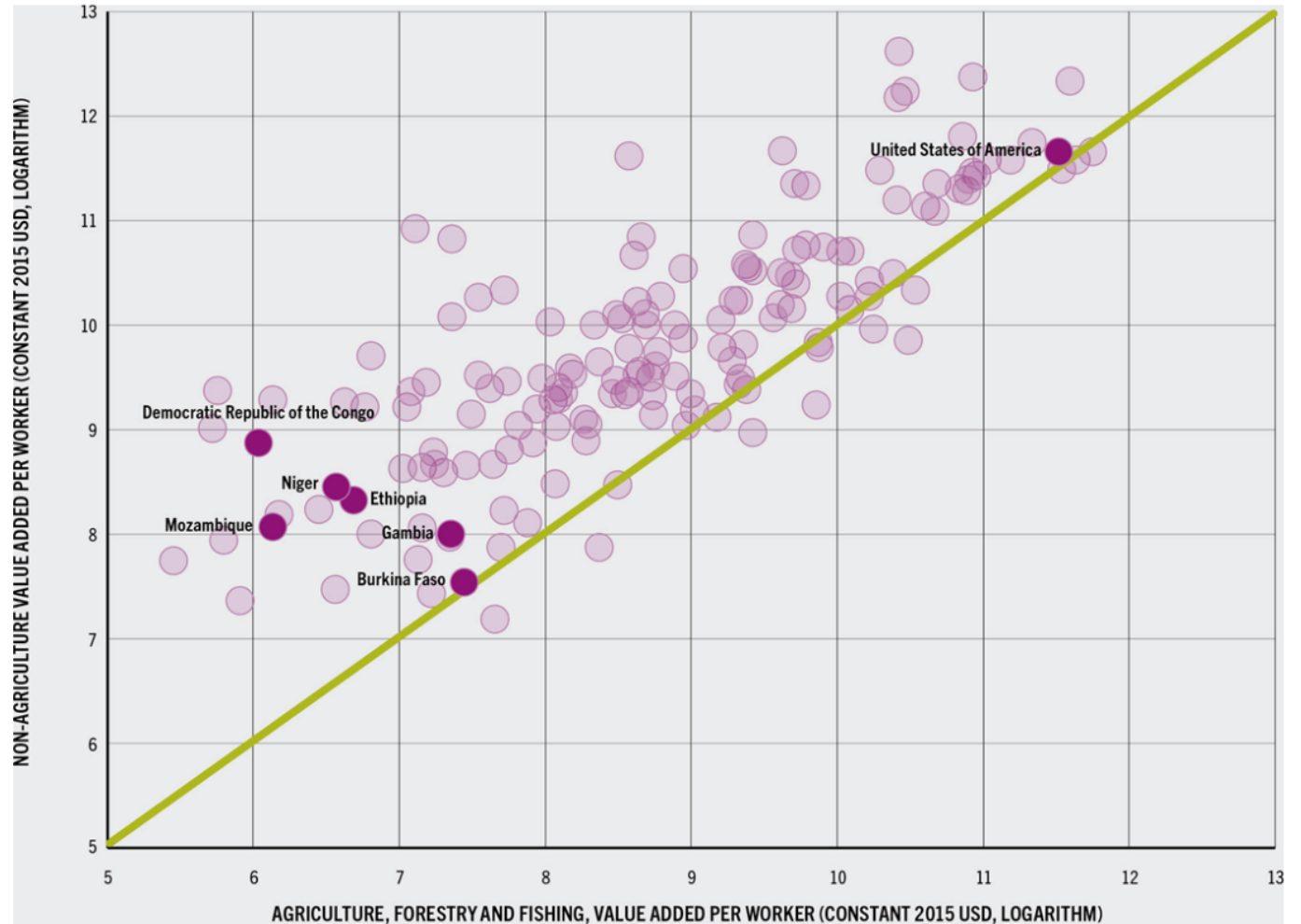
Africa's Structural Transformation (1)

- ▶ Along the path of structural transformation – that is, the reallocation of economic activities away from agriculture to industry and services that promotes economic growth – agriculture's relative importance declines as the economy grows.
- ▶ Increases in agricultural productivity per capita mean that fewer people can produce more food.
- ▶ At the end of the transformation process, agriculture's share in the economy is small and its productivity per capita resembles that of other sectors.

Africa's Structural Transformation (1a)

PRODUCTIVITY IN AGRICULTURE AND NON-AGRICULTURE SECTORS

Relationship between value added per worker in agriculture, forestry and fishing and non-agriculture, that includes manufacturing, mining and quarrying, construction and utilities, across countries.



Africa's Integration & Regional Trade (1)

- ▶ The decision to establish a Continental Free Trade Area was approved by the eighteenth ordinary Session of Assembly of the African Union Heads of State and Government, held in Addis Ababa, Ethiopia in January 2012.
- ▶ This initiative is a flagship project of Agenda 2063 of the African Union – Africa's own development vision.
- ▶ The agreement establishing the AfCFTA entered into force on 30 May 2019, covering 54 of the 55 African Union Member States, 43 of which have ratified the agreement so far.

Africa's Integration & Regional Trade (2)

- ▶ AfCFTA aims to create, through successive rounds of negotiations, a single market for goods and services to deepen the economic integration of the African continent and to lay the foundation to establish a continental customs union at a later stage.
- ▶ This will be achieved through the gradual removal of tariffs on at least 90 percent of over 5 000 tariff lines. The reduction of tariffs is seen as having significant potential to increase intra-regional trade.

Africa's Integration & Regional Trade (2)

- ▶ Only 8 percent of African merchandise exports are directed toward Africa, suggesting that there are important constraints (high trade costs) to intra-regional trade.
- ▶ As for agriculture, almost 40 percent of Africa's agricultural products are exported to Europe.
- ▶ Intra-African agricultural trade is regionally concentrated, mostly centred around South Africa, which is both the major exporter and importer.

Intra-African Exports and African Exports to other Regions, Food and Agricultural Products, 2019

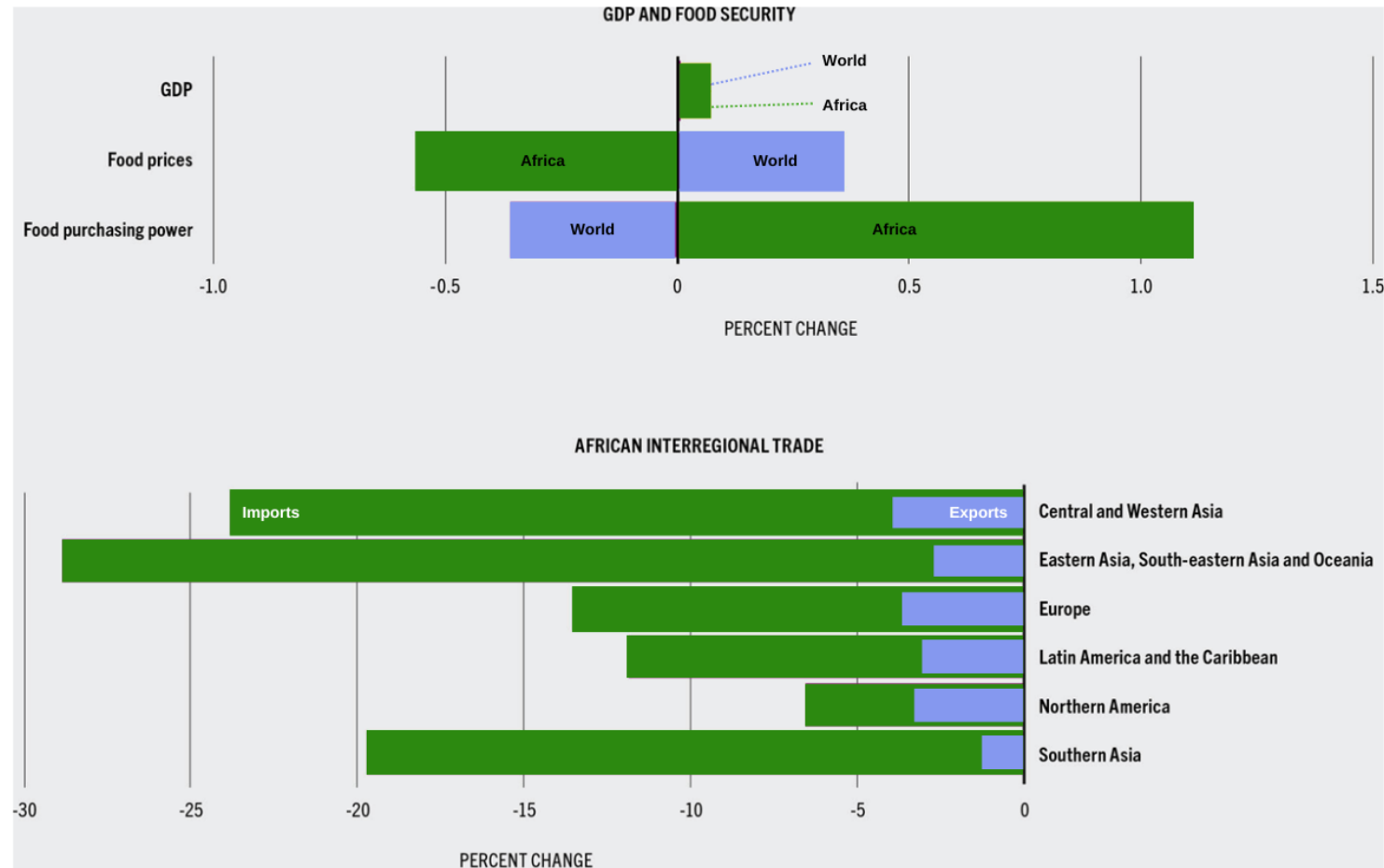


Africa's Integration & Regional Trade (3)

- ▶ While rising incomes are fuelling demand for diversified diets in the region, meeting this demand with imports from within the region will require significant efforts in overcoming supply-side constraints.
- ▶ With deeper integration, that implies the removal of significant trade costs, intra-African trade would increase significantly by up to 300 percent.
- ▶ Trade with other regions, in particular African imports of food and agricultural products from other regions, would decline. Exports to other regions would also decline.

Africa's Integration & Regional Trade (3)

LIBERALIZATION & INTEGRATION IN AFRICA: EFFECTS ON GDP, FOOD SECURITY AND TRADE IN FOOD AND AGRICULTURAL PRODUCTS



Concluding Remarks (1)

- ▶ Trade is an important instrument for promoting economic growth.
- ▶ Openness to food and agricultural trade can help countries ensure food security and better nutrition, achieve their objectives in the structural transformation of their economies, promote higher incomes and living standards in both rural and urban areas, and better manage their natural resources.
- ▶ Trade is not an end in itself, and there is no single prescription on how to leverage food and agricultural trade for sustainable development as countries differ widely.

Concluding Remarks (3)

- ▶ Together with regional trade integration, strong cooperation at the multilateral level is much needed.
- ▶ Global shocks to the food and agricultural markets, such as the COVID-19 pandemic, extreme weather events that affect harvests and food prices, and more recently, the war in Ukraine, need multilateral cooperation to ensure food security and better nutrition for all.
- ▶ In a world in which regional trade blocs cannot effectively address such challenges, multilateralism has a strong role to play.

Multilateral Initiatives to Address Food Insecurity

In April 2010, the G20 Summit launched the Global Agriculture and Food Security Program (GAFSP) and so far received pledged for over US\$ 20 billion to provide financial and technical resources to multilateral projects.

September 2021 marked the year for the first-ever UN-led Food System Summit. It brought together all constituents of the food chain. Nearly 300 commitments from a large number of people to accelerate action and transform food systems.



In June 2022, the Arab Coordination Group (ACG), launched a Food Security Action Plan committed to mobilize US\$ 10 billion for immediate relief and long-term support to developing countries.

In January 2023, the African Development Bank and the UN's International Fund for Agricultural Development launched the pan-African Mission 1 to 200 initiative to increase funding for rural development and help 40 million farmers to double productivity and produce 100 million metric tons of food for 200 million people.

The OPEC Fund & Food Security in Africa

In **June 1976**, in response to the call made at the 1974 World Food Conference, the OPEC Member States provided the will and a substantial share of the resources to establish **the International Fund for Agricultural Development (IFAD)** in partnership with OECD and other developing countries.

The Common Fund for Commodities' partnership with the OPEC Fund dates back to the very inception of the CFC. The OPEC Fund not only facilitated and paid capital subscription for as many as 37 Least Developed Countries (LDCs) but continues to make contributions under "Framework of Financial Support" towards CFC's commodity development projects for the least developed countries and poorer strata in other developing countries.

Conceived as a unique institution exclusively assisting non-Member countries, the OPEC Fund has historically provided **US\$ 17.45 billion**, of which **US\$ 3.7 billion** have gone towards Agriculture (in Africa 63% or US\$ 2.3 billion) and **US\$ 5.6 billion** towards transport infrastructure, (in Africa 43% or US\$ 2.4 billion).

Moving from the complementarity of IFAD's and OPEC Fund's comparative advantage in rural development and infrastructure respectively, the successful partnership **contributed to improve food security through 120 projects** for a total of roughly **US\$ 1 billion**.

In response to the food crisis broken out in 2022 due to the war in Ukraine, the OPEC Fund approved a **Food Security Action Plan of US\$ 1 billion** to strengthen agricultural value chains, support market development and **finance policy reforms and institutional capacity building**.



Thank you

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