

FSN FORUM DISCUSSION LINKING FOOD AID AND PRO-POOR GROWTH

TABLE OF CONTENTS

I.	GENERAL INFORMATION.....	1
II.	INTRODUCTION OF THE TOPIC	2
III.	LIST OF CONTRIBUTIONS;	3
	Contribution by George Simon, from the University of Roma Tre, Italy	3
	Contribution by Walter M. Mwasaa, from CARE International, Kenya	4
	Contribution by Emad Ahmed Mahgoub, from Agricultural Economic & Policy Research Center of Agricultural Research Corporation, Sudan	6
	Contribution by Ugo Gentilini, from WFP, Italy	6
	Contribution by Emad Ahmed Mahgoub.....	7
	Contribution by Francois Leonardi, from FAO, Zimbabwe	8
	Contribution by Emad Ahmed Mahgoub.....	9
	Contribution by George Kent	9
	Contribution by Andrew MacMillan, from FAO, Italy.....	9
	Contribution by Emad Ahmed Mahgoub.....	10
	Contribution by George Kent	11
	Contribution by Eltighani Elamin, from Agricultural Economic & Policy Research Center, Khartoum North, Sudan	11
	Contribution by Francois Leonardi, from FAO, Zimbabwe	11
	Contribution by Emad Ahmed Mahgoub.....	12
	Contribution by Charles Teller, Population Reference Bureau, Washington, USA.....	12
	Contribution by Eltighani Elamin, Agricultural Economic & Policy Research Center, Sudan	13

I. GENERAL INFORMATION

Duration:	18.09 to 04.11.2008
Facilitator:	George Simon
Number of participants:	9

II. INTRODUCTION OF THE TOPIC

Dear Forum Members,

I am Mr. MAHGOUB Emad Ahmed, working at the Agricultural Economic & Policy Research Center of Agricultural Research Corporation, Sudan.

Sudan is a poor country facing so many obstacles; the most important is the political stability, economic growth, and the availability of aid for the matter of fighting the poverty.

It is common these days to talk of the 'shifting landscape' of aid. Official development assistance has more than quadrupled in the past 25 years, and the numbers of both aid actors and aid channels have soared. The number of official donors has increased, including, most recently China, India and Brazil.

Some actors talk of raising funds vertically but spending horizontally. Initiatives such as the International Health Partnership, which aims to improve the way international agencies, donors and poor countries work together on health plans, go some of the way. But in the end, effective engagement on global issues requires the strong engagement of recipient countries.

As the World Bank reports, 'not all countries may feel equipped to take on this challenge and should demand and receive special support' to make it happen. Yet the context in which recipient countries are being expected to assert their leadership over the aid agenda is also problematic. Domestic political incentives play a big part. Adverse global economic trends also play a role as national governments turn their attention to short-term crisis management rather than longer-term institutional change and development.

I am currently working on this important issue and conducting a study of which the main topic is: **"Food Aid and Pro-Poor Growth: the Functional Relationships between Food Aid, Food poverty and GDP in Africa and Middle East"**.

This research aims to determine food aid's functional relationship to per capita GDP through an empirical study of its relative contribution to dietary intake for several African and Middle-Eastern countries. Two questions are the paramount issues of the study. Does better nutrition status contribute to faster economic growth? If it does, what is the magnitude and persistence of this effect? These If indeed the answer is yes, and the effect is appreciable, then food aid to those low-income-food-deficit (LIFDCs) and least developing countries (LDCs) will not only improve the human welfare in the regions but also enhance economic growth so that they can eventually grow out of poverty.

Overall, the research presupposes that food aid is part and parcel of the globalization process: a political instrument to initiate economic and trade relations between donors and recipient countries. As today, there are two stands in the globalization debate. One argues that globalization promotes growth. The other claims it does not. As such, the role of food aid in promoting growth warrants investigation. In other words, what have been the comparative advantages in terms of pro poor growth of the world food assistance?

To advance and form the basis for my study arguments, I would like to know your opinion and insights on the following issues:

- What is the **Food Aid role** in alleviating immediate hunger and reducing the costs of hunger?
- Which are the **Food Aid implications** for nutrition, health, Household coping strategies, human capacities, and policies?
- What are the **long-term implications/impacts** on the economic growth?
- How to make **Food Aid more effective**? In particular, how to ensure that the aid system can deliver effectively in response to global risks and challenges, while remaining committed to the country-led approach to development

It is imperative to investigate the overlapping effects of such serious issues of nutritional status, economic growth, terms of trade, food aid, agricultural production and export performance and equity in order to advise policy makers running the small economies of Africa and the Middle East, in a global context.

Fighting against hunger is not only an act of keeping food sufficiency for developing countries, but also for enhancing future economic growth and development. The resolution of fighting against hunger has sent a clear and strong message to all countries that having hunger is very costly in terms loss economic growth.

Truly.
MAHGOUB

Dr. MAHGOUB Emad Ahmed

Agricultural Economic & Policy Research Center

Ministry of Science & Technology

Khartoum North, Sudan

III. LIST OF CONTRIBUTIONS;

Contribution by George Simon, from the University of Roma Tre, Italy

Hello everybody,

Thank you to Dr. Mahgoub for his letter and call for assistance from the Forum.

Dr. Mahgoub has put forward 4 questions to us:

- 1.What is the role of food aid in alleviating immediate hunger and reducing the cost of hunger?
(Any data available on the cost of hunger?)
- 2.Which are the implications of food aid in terms of nutrition, health, household coping strategies, etc?
- 3.What are the long term effects of food aid on economic growth?
- 4.How to make food aid more effective.... while remaining committed to country-led approach to development?

A few remarks:

1. Dr. Mahgoub's message states that "the research presupposes that **food aid is part and parcel of the globalization process**: a political instrument to initiate economic and trade relations between donors and recipient countries."

No doubts this calls for comments, taking into account the changes observed in actual food aid transactions during the last 25 years or so.

2. The message refers quite a bit to **food aid as a tool for development**, an argument that has been negated by most of the donor community during the last 10 or 15 years. Would these references suggest that **developing countries' own development programme would include the utilisation of budget support type of resources for project food aid operations and projects?**

3. Food aid is surely not one and therefore contributors are invited to distinguish **the different food aid type they refer to** (project, programme, emergency), not to mention the procurement mode (direct transfers versus local purchases and triangular operations).

I look forward to the Forum receiving your contributions,

Thank you,

George

Contribution by Walter M. Mwasaa, from CARE International, Kenya

Hello Forum Colleagues,

I beg to throw in my some **knowledge and experience from my work in Somalia** for a food aid project.

- What is the Food Aid role in alleviating immediate hunger and reducing the costs of hunger?

Food aid should be seen as a stop gap measure for reducing rapid on-set food deficits. Approached in this manner, food aid would help communities and development agencies look beyond the short term with an aim of reducing the deficits. Since time immemorial man has found creative ways to deal with his crises, some of the current technologies evolved from the needs of a given community [necessity became the mother of invention]. **Support therefore should only be availed to allow survival to achieve such adjustments or get through a short term shock.** When food aid becomes an institution, it transforms from humanitarian support to systematized, purchase, transport and distribution networks that lead to change in focus. From the humanitarian imperative and end goal of saving lives, cartels grow, interests of individual merchants and politicians come to play. It is no longer the hungry but the income out of the massive multi-million dollar trade.

With the shift of focus care is no longer taken to ensure that negative impact markets, production and other societal structures and processes. This eventually leads to a poorer community depended on outside assistance and no creative edge is left, frustrated local ideas are not nurtured and thus trashed. The sorry story is that most communities after a stint with food aid can not go back to own production. **Thus as opposed to solving a short term problem, food aid results in long term problem for the community.**

It is still critical to point out that well managed and planned food aid is still relevant. To avoid the intricacies mentioned above remains the over-arching challenge. Also important is that **there are different ways to utilize food to address deficits that could strengthen a community's resilience as opposed to being detrimental to the same.**

- Which are the Food Aid implications for nutrition, health, Household coping strategies, human capacities, and policies?

Food aid aims to provide quick response in a deficiency situation, access, availability are the key areas of food security it addresses. **It is important to realize that without proper and robust**

nutrition and health interventions to go with it, very little success will be recorded in achieving a food a nutrition secure community.

As mentioned in point one, there exists a delicate balance in determination of where the human right to food starts and where a community's freedom to exercise its potential to deal with shocks meet. Many communities are usually provided with food aid without necessarily being allowed to find alternates to a regular livelihood.

Governments and authorities supported by independent research and experience sharing are called on to determine the exact place of food aid, stringent regulations should be enacted on donors and aid agencies to ensure that maximum care is taken to reduce the negative impact of food aid on the target communities.

· *What are the long-term implications/impacts on the economic growth?*

'Stunted economies' are likely to surface that result in dependency, reduced production and incomes. **It is also worth pointing out that most food aid interventions do not take care of all the dietary nutrient needs often leading to various challenges of poor growth, mental and physical capacities for affected populations.**

Suppressed production and local market systems reduce labor and other related income opportunities for local populations. This in turn results in crime and lawlessness which then affects the development of other sectors. The spiral effect is stagnated or degenerative economic indicators.

- How to make Food Aid more effective? In particular, how to ensure that the aid system can deliver effectively in response to global risks and challenges, while remaining committed to the country-led approach to development.

To achieve this, I would suggest as some outsider input to this **the following non conventional ideas:**

- Open-minded information gathering prior to and during interventions on possible or emerging impact is required.
- As you rightly put, food aid should be seen as a supportive remedial action [when the big trucks, money and tones roll in, it usually takes center stage]. Beneficiary countries and communities should be at the center of the process. They should be made fully aware of what are the effects and issues associated with food aid and thus with a clear understanding accept it or look for other options. Merchants and influential persons who stand to gain some other benefits need to be identified and their interests clearly understood.

This is my brief input – I would like to reference you to the following works by **some works done by some scholars.**

- **Food Aid After Fifty Years: Recasting Its Role**, by Christopher B. Barrett And Daniel G. Maxwell, London: Routledge, May 2005 (only available for purchase) at: http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=550
- **Emergencies in urban settings: A technical review of food-based program.** Options: http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=551
- **The Political Economy Of Food Aid.** John Cathie. Gower Publishing Co., Ltd., London, 1982, 190 Pp E. Philip Morgan School Of Public And Environmental Affairs Indiana University (only available for purchase) at: http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=552
- **Chronic Famine And The Immorality Of Food Aid: A Bow To Garrett Hardin**, By Joseph Fletcher University Of Virginia (*This Appeared In Population And Environment, Volume 12, Number 3, Spring 1991*) http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=553
- **Food Aid - The Implications For Food Security In Africa**, Martin R. Rupiya, http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=554
- **Renegotiating The Food Aid Convention: Background, Context, And Issues**, IFPRI Discussion Paper 00690 February 2007

http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=555

Yours kindly

Walter Mwasaa
Kenya

Contribution by Emad Ahmed Mahgoub, from Agricultural Economic & Policy Research Center of Agricultural Research Corporation, Sudan

Dear Walter M. Mwasaa,

Thank you for the very valuable comments and inputs.

I agree with your comments as without a sufficient food all the other related issues such as health, education, and economic growth will be hindered.

I would be most grateful if you could **share what data should be collected, and the analytical method for analysis.**

Regards,

MAHGOUB Emad ahmed

Contribution by Ugo Gentilini, from WFP, Italy

Dear Dr. Mhgoub,

Thanks for raising those compelling issues. We are now entering into a new area in which agricultural, energy, and financial markets are increasingly interconnected, thereby demanding for a nuanced understanding of global dynamics, and to position interventions (including international aid, but not only) within those dynamics. Following your call, I'm here intervening to just bring to your attention some empirical work that may be of interest, in particular on the nutrition-growth linkages and pro-poor growth.

On the nutrition-growth literature I would recommend to read – among others – Harold Alderman's work on what is often referred to as "economics of nutrition" domain, including the Copenhagen Consensus paper (co-authored with J. Behrman and J. Hoddinott) and other articles published in peer-reviewed outlets. In essence, Alderman argues that nutrition can be considered as an investment in growth because of its contribution to cognitive development, education attainments, and physical productivity, all positively correlated to higher future earnings. As in all empirical work, however, there some caveats, including for example the time lag for those results to nurture and spring out (check out his home page: http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=562). Susan Horton, Lawrence Haddad, Lisa Smith and many others have also published important papers in this area. See also the January 2008 special-issue of the medical journal "The Lancet", and WFP's report on the 'costs of hunger' in Latin America.

On the pro-poor growth domain, I concur with you that the issue is quite controversial. In general the debate revolves around the growth-inequality-poverty linkages which, at least empirically, are far from being fully understood. In addition to a wealth of different definitions on what 'pro-poor growth' actually means (e.g. see the Kakwani-Ravallion debate), there are also different views on the accomplishments of aid in fostering it (e.g. see the Sachs-Easterly debate). This mostly because of the lack of definitive evidence on the dynamics of poverty traps – note, not on their existence, but on how to get out of them. Sachs suggests a 'big-push' approach fostering savings, and thereby investments and growth (see his book Economics for a Crowded Planet, or the End of Poverty), while Easterly argues against this approach both philosophically and

empirically (see his book *The White Man's Burden, or Reinventing Foreign Aid*). These are two extremes, but there are many views in the middle as well (see C. Barrett and M. Carter with their asset-based approach).

More generally, I would recommend looking at Martin Ravallion's paper presented at the IFPRI conference in China in late 2007 at: http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=559. Ravallion provides a lucid overview of the key issues in the pro-poor growth realm and makes a convincing case for social protection (including aid) as a way to pursue growth promotion, poverty and inequality reduction (note the key distinction between 'good' and 'bad' inequalities tho).

In my humble view, any discussion on aid and its effectiveness – whether that takes the form of food aid, vouchers, cash transfers, insurance and other risk management products etc – should be interpreted against this background. For more specific materials of the comparative effectiveness and efficiency of food aid I would tend – and hope you'll forgive me for this – to be self-referential and suggest WFP's paper "Cash and Food Transfers: A Primer"

(http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=560), to be read in tandem with ODI's paper "Cash-based responses in emergencies" (http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=561). While differing on some parts, both reviews show that appropriateness of food aid (and cash transfers) ultimately hinges on context-specific factors such as programme objectives (including neoclassical microeconomics implications, nutritional impact etc), markets, administrative capacities, and people's preferences. Areas for further empirical investigation are also set out.

Hope this helps, and good luck with your paper, which I look forward to learn from once finalized.

Best,
Ugo Gentilini
Policy adviser at WFP.

Contribution by Emad Ahmed Mahgoub

Dear Ugo Gentilini,

Thank you for the message and valuable comments and contribution.

I agreed with you. On the pro-poor growth domain, I concur with you that the issue is quite controversial. In general the debate revolves around the growth-inequality-poverty linkages which, at least empirically, are far from being fully understood. In addition to a wealth of different definitions on what 'pro-poor growth' actually means (e.g. see the Kakwani).

I would like to raise some comments.

This research aims to determine food aid's functional relationship to per capita GDP through an empirical study of its relative contribution to dietary intake for several African and Middle-Eastern countries. It presupposes that food aid is part and parcel of the globalization process: a political instrument to initiate economic and trade relations between donors and recipient countries.

As today, **there are two stands in the globalization debate**. One argues that globalization promotes growth. The other claims it does not. As such, the role of food aid in promoting growth warrants investigation. In other words, what have been the **comparative advantages in terms of pro poor growth** of the world food assistance?

An anti-globalization cry is heard everywhere, however, it was prominent during the round of talks launched in Seattle. There were also passionate debates dominating the Uruguay and Doha trade negotiations, where the benefits to the poor from world trade were discussed. Liberalization, privatization and globalization are different terminologies describing the current movement of the international economy where the powerful countries, to shape the economies of other nations,

often use them. Globalization implies trade liberalization whereas privatization is fuelled through active multinational firms.

I would be most grateful if you could mention **some models applicable for analysing the relationship between food aid, poverty and pro-poor growth.**

Regards.

Sincerely,

MAHGOUB Emad Ahmed

Contribution by Francois Leonardi, from FAO, Zimbabwe

Dear Members,

Linking food aid to pro-poor growth is a strange concept for me. Allow me to explain this point of view, as I worked for the last years in the area of food security and unfortunately food aid - Ethiopia and Zimbabwe now.

Few years ago, food aid was only used in emergency situation in rural areas, of course people will find many exceptions but in principle it was the case. Anybody acknowledged at that time that feeding persons was much more expensive than to deliver rural development projects - including inputs for free.

This fact is still obvious: 20 kg of maize seeds without even fertilizer can produce 1 tonne of grain, valued more than 500 USD when it is food aid through WFP.... therefore nobody should even think of food aid to start an activity in agriculture.

However to avoid critics and structural food aid free delivery, **NGOs, International Bodies and Government started to develop food for work, productive safety nets** -you name it - in order to maximize the impact of Food Aid when it becomes structural. The food was considered as a gratuitous good for intermediates -NGOs, WEPT or Government and could not be transformed in real money.

Food aid became more and more a tool for pro-poor growth, and many evaluation will tell you how many ponds, dams, rural roads, soil and water conservation activities were carried out with food aid incentives in poor rural areas. However I still believe that **it has cost more than a normal approach**, as food aid cost far more than local market prices and moreover it was used as incentives destroying all normal community responsibility most of the time. Many anecdotal evidences from Ethiopia testify that people agrees on any -including useless- community asset only in exchange of food aid.

Supporting community through cement and know-how for a well or an irrigation project is not any more enough. I therefore think that **food aid has not created dependency but an opportunistic behaviour twisting the relation between communities and rural development "stakeholders"**. So pro-poor growth, when food aid is there and no willingness at all to invest in rural growth or wealth when food aid, is not brought.

May be this is the sad experience from the ground; however it could be a part of your research to analyze this.

With my best regards

Francois Leonardi
Policy Officer
FAO Sub-Regional Office for Southern Africa

Contribution by Emad Ahmed Mahgoub

Dear Francois Leonardi,

Thank you for your very important contribution.

Hear below you will find some comments regarding the food aid and economic growth.

Several critiques arise upon Arcand's result. First, **there is the "accounting identify" problem**. Since the growth rate of GDP per capita is always equal to a weighted average growth rate of agricultural, industrial, and other sector's GDP per capita, the regression of growth rate of GDP per capital on initial nutritional status is spurious given high correlation between agricultural GDP and per capita and the fore mentioned two nutritional status measures.

Second, **increasing DES and reducing PFI are treated as alternatives in fighting against malnutrition**. Even though it is made fairly clear in the Sixth World Food Survey (FAO, 1996) these two measures may be complementary. DES measures daily energy (calorie) intake from food consumption and its unit is kcal/day. The observation is the national average. PFI is the fraction of population whose daily energy intake is below a certain cut-off level.

Third, we have to admit that **econometrics does not have answers to everything we would like to know**. In particular, econometrics procedures can only recover statistical relations and they do not provide more useful information on the actuality between variables. These theoretical models also provide guidance on the search for possible transmission mechanisms between nutrition and growth, in particular, nutrition status is far from being exogenous, and economic growth has been widely documented to inflict its positive impact on nutrition status.

Regards.

MAHGOUB Emad Ahmed

Contribution by George Kent

Regarding the Copenhagen Consensus Challenge Paper mentioned by Ugo Gentilini, some of you might be interested in my critical remarks on it, available at http://km.fao.org/fsn/resources/fsn_viewresdet.html?no_cache=1&r=568&nocache=1

Contribution by Andrew MacMillan, from FAO, Italy

What is clear is that better nutrition leads to better health and longevity (well documented in R.W. Fogel's "The escape from Hunger and Premature Death").

There is also agreement that cognitive abilities are impaired by undernourishment and malnutrition. Intuitively, it seems obvious that well-fed able-bodied, mentally switched-on people contribute to economic growth processes more successfully than malnourished people whose capacity to work, think and live a long life. And hence that, when large numbers of people shift from a mal-nourished to an adequately nourished state, there will be a positive impact on economic growth.

But **economists have not been all that successful in demonstrating the connection**

between improved nutrition and economic growth. Fogel is probably the most persuasive (in Health, Nutrition and Economic Growth, Ec. Dev and Cultural Change, Chicago, 2004). And Arcand's work, to which Mahgoub Emad Ahmed, refers, should definitely not be set aside too lightly. Given the problems that economists have surprisingly encountered in making the link between better nutrition and economic growth in general, I suspect that it is going to be very difficult to arrive at any robust conclusions re food assistance and pro-poor growth!

Contribution by Emad Ahmed Mahgoub

Dear Andrew MacMillan,

Thank you for your contribution.

From the below you will find there is a **close linkage between nutrition, poverty and economic growth.**

Nutrition is the fundamental condition for human welfare. Recently, food sufficiency and easy access to food are considered as a basic human right. Good nutrition is an investment in human and social capital; solid establishment of human capital is a key determinant of household and community, which in turn builds a basis for development.

At the World Food Summit in Rome 1996, heads of state and regional representatives agreed on fighting hunger. As the summit resolutions all possible efforts for halving hunger by 2015 were adopted by the representatives of all states and regions. According to the Food and Agriculture Organization (FAO) of the United Nations, the absolute number of undernourished in world was 841 million in developing countries (P.45, Table 14, FAO 1996). This event shows that fighting hunger is an important and imminent issue which the current world is facing, and that there is an immediate necessity for international cooperation. At the same time, heads of state and regional representatives realize the cost of hunger; having food insufficiency at the country will hurt the economic growth. Fighting against hunger is not only an act of keeping food sufficiency for developing countries, but also for enhancing future economic growth and development. The resolution of fighting against hunger has sent a clear and strong message to all countries that **having hunger is very costly in terms of loss economic growth.**

Background:

The main research that we are "revisiting" in this study is conducted by Arcand (2001). The author considers the impacts of two measures of nutritional status, i.e. prevalence of food inadequacy (PFI) and Dietary Energy Supply (DES), on the growth rate of real GDP per capita for 129 countries from 1960s to 1980s, statistically significant and quantitatively important effect of nutrition on growth. He claims that inadequate nutrition is causing 0.23 to 4.7 percentage point loss in annual growth rate of GDP per capita worldwide, and 0.16 to 4.0 percentage points' loss for Sub-Saharan Africa in particular. These results are robust to a wide spectrum of econometric procedures as well as the critique that the nutritional status measurements are widely overestimated.

As a result, combating malnutrition is not only an urgent task for humanitarian reasons, but also imperative for economic development purpose. Several critiques arise upon Arcand's result. First, there is the "accounting identify" problem. Since the growth rate of GDP per capita is always equal to a weighted average growth rate of agricultural, industrial, and other sector's GDP per capita, the regression of growth rate of GDP per capital on initial nutritional status is spurious given high correlation between agricultural GDP and per capita and the fore mentioned two nutritional status measures. Second, increasing DES and reducing PFI are treated as alternatives in fighting against malnutrition. Even though it is made fairly clear in the Sixth World Food Survey (FAO, 1996) these two measures may be complementary. DES measures daily energy (calorie) intake from food consumption and its unit is kcal/day. The observation is the national average. PFI is the fraction of population whose daily energy intake is below a certain cutoff level. Third, **we have to admit that econometrics does not have answers to everything we would like to**

know. In particular, econometrics procedures can only recover statistical relations and they do not provide more useful information on the actuality between variables. These theoretical models also provide guidance on the search for possible transmission mechanisms between nutrition and growth, in particular, nutrition status is far from being exogenous, and economic growth has been widely documented to inflict its positive impact on nutrition status.

Regards.

MAHGOUB Emad Ahmed

Contribution by George Kent

Andrew said, "it seems obvious that well-fed able-bodied, mentally switched-on people contribute to economic growth processes more successfully than malnourished people whose capacity to work, think and live a long life. And hence that, when large numbers of people shift from a mal-nourished to an adequately nourished state, there will be a positive impact on economic growth."

Maybe not.

This idea is popular in the nutrition literature, but it misses a key point. Yes, well nourished people are capable of being more productive than poorly nourished people, but that does not necessarily mean they will be more productive. **People who are well fed may not be motivated to work hard.** Especially when it comes to manual labor, no one works as hard or as cheap as people who are hungry.

Who would do the junk jobs at the bottom end if there was no hunger in the world? Hungry people work for low pay at producing inexpensive goods, many of which become good bargains for people with higher incomes. **The system serves the material interests of higher income people** who benefit from the production of low-wage workers.

Aloha, George

Contribution by Eltighani Elamin, from Agricultural Economic & Policy Research Center, Khartoum North, Sudan

Dear George,

we are taking about a predetermined segment of population the rural farmers who are already exerting hard work on farming their lands. So, there no chance for well fed urban lazy men. Moreover, able bodied persons even, they tend to work less hours however, they do it on a mentally right and productive job.

Truly

Tighani

Contribution by Francois Leonardi, from FAO, Zimbabwe

If Mr. Kent is a bit provocative in his statement, he is rightly pointing out that the linkages behind some of the messages are quite difficult to prove:

1. Is food aid linked to a better nutrition status?

This is very debatable even if it is the underlying objectives of this operation. However after years of food aid in Ethiopia it doesn't seem to have impacted positively the country -in terms of global nutrition rate but certainly saved many life. Confusion between the different aggregated levels is undertaken as it is difficult to break down statistic -an even collect information- at the right level. A

small digression for non specialist: **nutrition status can be related to many other factors than only food -water, health...**

2. Is a better nutrition status help developing people/ a region? A country? Again, it seems that there is a rapid aggregate between people receiving food aid and a larger regional or national growth. Many districts of Ethiopia have been benefiting from food distribution, they are still part of the poorest, and according to many analytical works even poorer than at the start for at least these two reasons:

- A **growing population pressure** on shrinking natural resources -livelihood survey conducted showed that the vulnerable segment of the population is growing in % -SCUK, FEWS... To be extreme, feeding people on a rock or in a desert doesn't create growth at the end. In Ethiopia, you need to stay in the same place to benefit from Food Aid

- **People targeted for food aid are supposed to be the most vulnerable**, a segment of population that is often living indebted and food aid typically relieves these person for few months, but does not allow to build on this resources -predictability of food aid distribution. Food aid may allow relative large scale farmers -3 ha- to pay less the farm workers receiving food aid - therefore food aid gives less income to the poorest.

3 On the economic point of view, if food aid is depressing national grain markets prices by 10% - an example. It reduces the value of all the grain produced in the country, a benchmark for all Agricultural prices - so depressed the Ag GDP, and secondly as the lowest wages -the majority in recipient countries- are adjusted to these prices, it reduced all the GDP even in urban area. Therefore **an immediate consequence of large share of food aid is a lower GDP**; isn't it?

On the positive side, with lower wages, **it allows country to be more competitive on the world market** - long term potential effects - and that might be part of the global deal, as some country might be able to consume intensive labour product for a lower price...

Regards

Francois Leonardi

Contribution by Emad Ahmed Mahgoub

Dear Francois Leonardi,

Thank you for the important contribution.

for the food aid to be active and contribute to the growth of the GDP the population should be targeted regarding the most needed people, and this aid should be in kind in case of food grain and should be in cash regarding the, education, health and others services as such as water for irrigation and others, which will improve the status of this targeted people to be productive and they will contribute on the improving of the economic growth.

regards...

MAHGOUB Emad Ahmed

Contribution by Charles Teller, Population Reference Bureau, Washington, USA

Dear Francois Leonardi,

FL- I basically agree with your point's one and two. Could you please supply me with specific and recent references for these points? Specifically, anything more on "certainly saved many lives" quote of yours? There were data on the 2002-2003 famine and death rates, but I didn't

see anything credible on deaths averted (I was there working at AAU and DPPC in Ethiopia 1992-2002).

On point two, concerning population pressure on natural resources, there is a number missing in the vulnerable population growing at ???%, by SCUk and FEWS. Usually, these populations grow at slower annual rates in Ethiopia, as they are savvy enough to migrate out.

Pls stay tuned to my topic on Population dynamics and food/nutrition security. I know you'll have some good contributions.

Charles

Charles H. Teller
Bixby Visiting Scholar
Population Reference Bureau
Washington,

Contribution by Eltighani Elamin, Agricultural Economic & Policy Research Center, Sudan

Dear All,

I like the fantastic points raised by Leorandi, that food aid can not improve malnutrition alone nor depresses competitive production through lowering labor wages, it might even does not have an observable effect of lowering GDP as in this latter case distributed food aid rarely exceeds 5% of the affected country need of food. In our experience with WFP in East Sudan, we encountered that the more food aid we distribute the more rise in malnutrition is reported for three consecutive years during 2003-3005 even though supportive facilitation of health and water and sanitation requirements are provided by other NGO. The main factor we found to reasoning this rise of malnutrition despite the increased distribution of food is the culture of served communities of over drinking strong coffee that inhibits appetite of the food insecure people. Consequently, that they have had sold much of the received food to buy and drink more coffee with an inevitable depression on their appetite to eat cereal and protein food.

Truly

Tighani