

## Food Security: Imperative for good governance

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BANGLADESH'S progress in poverty reduction and move towards food self-sufficiency has been noteworthy. But while numbers hint at a success story, a more nuanced look at the story behind the numbers may bring little comfort. Over 40% of the population still lives below the food-consumption based poverty line and the overall incidence of poverty remains high. Malnourished and highly vulnerable, they lack the income and assets to protect themselves against livelihood fluctuations, diseases, *monga* or natural disasters.

The consequences of the recent global food price hike have been severe in Bangladesh, as have been the effects of two cyclones. Food insecure households typically responded by decreasing diet diversity, consuming smaller food portions, reducing the number of daily meals, taking on unmanageable levels of debt and increasing household expenditure on food.

The hungry population jumped to 65 million, or 45% of the population, pushing up the rates of poverty that have been on a decline in the past decade. The situation deteriorated further as two cyclones in 2007 and 2009 -- Sidr and Aila left around 3 million people in need of food assistance.

Food security is a highly visible and sensitive public policy issue in any developing country as it directly and immediately impacts the lives of citizens. It tests the social contract between a government and its citizens, and is always an important part of the political agenda. This is evidenced by the fact that one of the main election pledges of the ruling party was a reduction in the price of essentials and the achievement of food self-sufficiency by the year 2013.

The State of Governance (SoG) 2009, an annual report published by IGS BRAC University, closely examines public policy and governance in national sectors such as food, energy, e governance and migration. It is against this backdrop that the report focused on availability of and access to food.

Availability of food means that the government should produce, make possible the production of and/or ensure sufficient quantities of food either through domestic production or through imports and food aid. Access to food means that it should ensure peoples' economic and physical access to food through boosting household income and government transfers.

**Availability of food:**

Subsequent governments, including the incumbent government, have placed great emphasis on boosting domestic production and procurement. The report has found that while food production has been increasing, it has still been falling short of domestic demand, with food and grain imports covering this gap, thus endangering the goal of achieving food self-sufficiency.

There are several reasons for this phenomenon. Domestic production is influenced by land and agricultural inputs such as fertilizers. However, there has been a failure to properly incentivise farmers to produce due to mis-governance in some of these areas.

Land: The lack of effective administration and management of land has caused unequal access, livelihood instability and poor productivity. The Land Reform Ordinance of 1984 has largely failed to address the issue of land redistribution due to an unrealistic amount stipulated for distribution. Khas land distribution has also been dotted with widespread corruption, land grabbing and lack of representation of landless farmers in khas land allocation committees.

This exemplifies the incapacity of successive governments to enforce land use policy and avoid the illegal occupation of khas land. The terms and conditions of tenancy contracts, though progressive in theory, provide only marginal profits for farmers in practice. Thus, the current system of land rental invites mis-governance as it weights the balance in favour of land owners and against tenant farmers, further endangering the productive capacity of the country's limited land resources.

Agricultural inputs: The fertiliser market has been characterised by high prices and weak monitoring systems. Although the government sets factory gate prices of fertiliser, it lacks the capacity to enforce and monitor whether the dealers maintain the set price. The existing monitoring committees do not have any enforcement powers to penalise private dealers as they are only tasked to report mismanagement.

There have also been bottlenecks in fertiliser supply as fertiliser factories have been unable to adjust their production schedule according to demand, partly due to the severe

shortage in the supply of electricity and gas to production facilities, and partly due to the inability to meet demand because of poor production capacity.

**Procurement:** The report has found that when there is a large gap between the market price for paddy and the procurement price for rice, rice millers and corrupt Directorate of Food (DoF) officials collude to split the difference. That the government buys rice from the rice millers and not the farmers directly is a serious weakness of the procurement mechanism. The government's procurement centres are also few and far between and farmers are not generally able to sell rice directly to them. Given the high cost of transport and the pressure to repay debts taken to meet production costs, farmers sell rice to local traders, millers and hoarders at lower prices.

A positive move made by the Ministry of Food and Disaster Management (MoFDM) has been to establish 141 food warehouses to increase the government's food grain storage capacity which will facilitate its ability to procure enough food grain and thereby incentivise farmers to produce.

#### **Access to food:**

**Public food distribution system (PFDS):** Hunger and famine are not caused just by a reduction in the availability of food, but also by the inability of the poor to get access to food. The PFDS attempts to make food grains available to poor households that would otherwise not have access to adequate food, distribute food during emergency situations and stabilise market prices to avoid excessive price increases.

The report has found that though the PFDS has a pro-poor focus in theory, its distribution channels do not reflect this -- with higher allocation going to priced channels rather than non-priced channels. There is also a chronic gap in the PFDS's coverage, with less than half of the food insecure population being reached through its channels.

**Social safety net programmes (SSNP):** Food-based SSNP's operate out of the PFDS. Encouragingly, given higher GDP growth rates the government has been able to set higher targets for providing social security to the poor. However, the targeting of these SSNPs towards beneficiaries is rarely informed by geographic variations in poverty across different divisions in Bangladesh. It is also characterised by high levels of leakage ranging from 20-40%.

Despite this problem, SSNPs like the Vulnerable Group Development (VGD) are perceived to be working well. The 100-day Employment Generation Programme introduced during the food price hike faced a multitude of administrative and implementation problems, but was also deemed an overall success.

These programmes create a platform through which local political leaders can earn support in poor areas. However, there is an absence of realistic alternatives to food distribution by this political class, as well as the lack of an effective administrative structure that reaches the grassroots level.

Consequently, this class can either extend full support and fairness to the programme's beneficiaries or behave as patrons to reward their clients, thus compromising accountability to the community. The report shows that there may be a balance between these two interests, and as a result it is very difficult to label the entire process as corrupt and ineffective.

Overall, however, there are no integrated national guidelines for developing SSNPs. Coordination is hindered by the fact that many programmes are directly financed with donor assistance to individual ministries. The involvement of multiple actors causes considerable overlap in programmes and creates leakage and waste, straining the administrative and resource capacity of the government.

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