



G-20 Food Security in Africa: Measures to Strengthen the G-20 Agenda

RECOMMENDATIONS

South African membership of the G-20 presents an important opportunity for influencing the G-20 food security agenda to ensure that it is more responsive to African food security concerns. The South African government should call for:

- the implementation of proposed regulatory reforms within G-20 member states, in particular those aimed at regulating speculation on financial and commodity markets to reduce food price volatility;
- the elimination of restrictive and often uneven agricultural trade practices, including subsidies;
- the G-20 to make more substantial commitments of funds towards much-needed investment in African agriculture; and
- greater attention to be given to reforms called for by independent research, including reforms in market-distorting biofuel policies.

Cerkia Bramley¹

EXECUTIVE SUMMARY

Against a background of growing international concern over the security of world food supply, the G-20 group of nations first recognised the need for improved global management of food security at its Pittsburgh summit in 2009. Since then, the G-20 has progressively prioritised its stance on food insecurity through growing commitments to strengthening food production systems and reducing commodity price volatility. After South Africa became the first African country to join the G-20, hopes arose for stronger representation of African interests in that forum. Although the G-20 food security discourse increasingly has focused on the developing world and is generally aligned with food security concerns on the African continent, further measures can be taken to strengthen the impact of G-20 food security policies in Africa, where most of the world's food insecure people live.

INTRODUCTION

It is estimated that international food price crises in 2007–2008 and 2010–2011 drove an additional 200 million people into hunger, bringing the global total to nearly one billion.² The severity of those events gave renewed momentum to a global food security agenda that had first emerged in the early 1990s. The Rome Declaration on World Food Security and the Plan of Action of the World Food Summit of 1996 resulted from major international discussions on the issue. These documents constituted a recognition that food security is achieved when 'all people at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life'.³ Since then a food security discourse has emerged in a growing number of international forums, including the G8 and G-20 groupings of larger economies. When South Africa became the first African country to join the G-20, there were hopes that this might lead to stronger representation of Africa's interests on an influential global

platform. Nevertheless, despite its growing emphasis on food security, which is an issue of major concern to the African continent, the G-20 agenda has had few measurable effects.

THE G-20 FOOD SECURITY AGENDA: AN OVERVIEW

The G-20 first addressed global food security as a major concern at its 2009 Pittsburgh summit, when it endorsed the L'Aquila Agricultural Food Security Initiative and created the Global Agriculture and Food Security Programme. This focus on food security intensified during 2010 as a direct result of renewed commodity price volatility. At a 2010 summit in Seoul, food security was identified in the Multi-Year Action Plan on Development as one of nine pillars of sustainable development. During the French G-20 presidency in 2011 the food security pillar of the Seoul Development Consensus was prioritised and an ambitious Action Plan on Food Price Volatility and Agriculture was presented by G-20 agricultural ministers. This plan, which included specific measures relating to research, information, risk management, investment, sustainability and training, was adopted at the Cannes G-20 Summit in November 2011. In 2012 the Mexican presidency prioritised food security and commodity price volatility for both the Presidency and the G-20 Development Working Group. The Mexican presidency has concentrated on ensuring compliance with the commitments set out in the Seoul Multi-Year Action Plan (2010), the Action Plan on Food Price Volatility and Agriculture (2011) and the Cannes Declaration (2011), as well as attempting to achieve consensus on specific initiatives that could increase world agricultural productivity, specifically for smallholders. In this way the G-20 has demonstrated a growing commitment to global food security, centred in particular on the following issues.

Addressing food price volatility

Food price volatility is considered one of the lead factors contributing to an increase in global poverty. G-20 emphasis has been on better regulating markets, improving market information and transparency, preventing and managing the effects

of price instability (through, for example, insurance and inventory management); and on developing appropriate risk-management instruments so that governments, firms and farmers can build capacity to manage and reduce the risks associated with food price volatility. It has stressed, in particular, the need for appropriate financial and commodity markets regulation, regarded as crucial to risk management and well-functioning physical markets.

Increasing agricultural productivity and food availability

The G-20 has committed itself to promoting responsible agricultural investment, fostering smallholder agriculture, advancing trade liberalisation, and investing in and co-ordinating research on agricultural productivity and innovation, in order to increase output. It is encouraging public-private investment in agriculture and the establishment of an enabling regulatory framework. Dealing with climate change and growing concerns over access to farm land are also seen as important dimensions of increased productivity.

Developing humanitarian emergency tools

Driven by the recent crisis in the Horn of Africa the G-20 is committed to the creation of a targeted emergency humanitarian food reserves system to supplement current regional and national food reserves.

Removing food export restrictions

G-20 members have committed themselves to removing food export restrictions and extraordinary taxes on food purchased for non-commercial humanitarian purposes by the World Food Programme, and have agreed not to impose similar measures in future. The G-20 has promoted a World Trade Organization (WTO) declaration to this effect.

Improving international policy co-ordination

The G-20 has recognised the need for improved policy co-ordination to boost confidence in international markets, and to develop common responses in times of market crisis. This position has led to the establishment of the Agricultural Market Information System and the Rapid Response Forum.

Strengthening agricultural research and innovation

The G-20 is committed to strengthening research and innovation in agriculture. It acknowledges that research should align itself with the requirements of farmers and that there is a need to encourage the transfer of research results, technologies and knowledge-sharing, and to build farmers' capacity. It has also recognised the importance of North–South, South–South and triangular co-operation for strengthening research and innovation. It has identified increased agricultural productivity as a priority area for research; in particular research on crops adapted to developing-country climates, while stressing the importance of research on wheat and rice as staples widely consumed in the developing world. Private sector investment is increasingly seen as key to improved agricultural productivity, and G-20 members have undertaken to explore innovative, results-based mechanisms to bring the private sector into agricultural innovation.

Scaling up food safety and nutrition

In line with greater recognition of the role of food quality in general economic development, the G-20 has committed itself to improving nutrition through direct interventions and better nutrition policies.

MEASURES TO INCREASE THE IMPACT OF G-20 POLICIES ON AFRICA'S FOOD SECURITY

The G-20's food security commitments broadly align with African concerns, particularly in their emphasis on price volatility, increased agricultural production and food availability, and on upscaling food safety and nutrition. Awareness of the importance of food security for developing countries in particular is reflected in G-20 discourse, for example in stating that 'the [food security] situation is still worrying, especially in developing countries ... which currently face the greatest level of food insecurity'.⁴ Nevertheless, despite such rhetoric affirming the importance of food security as a concern for developing countries, and the relevance of its commitments to Africa, the impact of the G-20 food security agenda on the continent can be strengthened.

Although the G-20 has assumed a strong role in setting the world food security agenda, member countries have been notoriously slow in implementing the proposed reforms within their own territory. They have made little progress, for instance, in implementing reforms needed to better regulate speculation in financial and commodity markets, widely cited as the main contributor to food price volatility. G-20 members have also failed to commit significant funds to much-needed investment in African agriculture. The source of most concern, however, is the G-20's apparent unwillingness to address certain policy recommendations from international organisations – recommendations supported by evidence and of major concern to the developing world in general and Africa in particular.

For example, the G-20 has been reluctant to call for reform in market-distorting biofuel policies despite international research highlighting the deleterious effect of these policies on food security in the developing world. Instead, it has limited its commitment on the biofuels issue to a call for more research on the issue. It has also failed to address restrictive trade practices, which for the most part stem from its larger members. Despite nearly two decades of a trade liberalisation discourse under the WTO, agricultural commodities still face significant trade barriers. Not only do restrictive trade practices act to the disadvantage of the world's poorest countries: they also lead to a lack of depth in international markets that has been blamed for some food price volatility.⁵ Agricultural protectionism also contributes to disconnecting domestic prices from international markets and in that way distorts price formation. Protectionism increases when world prices are low and decreases when they are high; hence trade restrictions in developed countries contribute to price volatility.⁶ Agriculture and food tariffs are higher in middle- and higher-income countries and, on average, are four times higher than those for non-agricultural products.⁷

Such factors underscore the disproportionate impact of agricultural trade practices on the world's poorest countries, which is exacerbated by the fact that WTO reforms have led to more open markets in developing countries while subsidies and import restrictions continue to protect markets in industrialised countries.⁸ Imports of subsidised food

products threaten the continued existence of, or indeed may have destroyed, many agro-food markets in developing countries. Smallholders in particular suffer in consequence. While G-20 members have undertaken to 'refrain from introducing, and indeed to oppose, protectionist trade actions in all forms, and recognise the prompt conclusion of the Doha development round',⁹ trade restrictive practices remain prevalent within many G-20 member-nations and little progress has been made towards advancing the conclusion of the Doha Round of negotiations under the WTO.

It is notable that the issues of biofuel policies, commodity speculation and restrictive agricultural trade practices relate predominantly to activities within G-20 member countries, and it might appear that the G-20 is setting the international food security agenda in a way that overlooks questions which would require major reform within G-20 member-states, although these are the issues likely to have the biggest impact on reducing food insecurity in the developing world. It is disappointing to note that even under the leadership of Mexico, itself an agriculture-based economy with food security concerns that mirror those of many African countries, the G-20 has made little progress in addressing these questions within member states.

Furthermore, existing G-20 commitments that call for concrete action seldom require direct investment or regulatory measures by G-20 countries. For example, AMIS is one of the few concrete outcomes of the G-20 food security discourse, yet, responsibility for administering the programmes has been placed with the UN Food and Agricultural Organisation and minimal funds have been committed to it. Again, it appears that the G-20 has opted for encouraging measures that improve the flow of market information while more tangible measures for actually regulating markets arguably would have been more effective in dealing with, for instance, commodity price volatility.

CONCLUSION

As food security becomes a matter of increased concern, international forums such as the G-20

have been increasingly reflecting a commitment to reducing global food insecurity. Despite this growing rhetoric, however, the G-20 food security agenda so far has had little success in alleviating the plight of food insecure populations in developing countries in general and Africa in particular.

Given this situation the effectiveness of the G-20 food security agenda should be strengthened respectively through greater emphasis on implementation of proposed regulatory reforms within G-20 member countries; the actual commitment of those funds for investment in agriculture called for by G-20 members; the removal of trade restrictive measures on agricultural commodities; and the revision of price-distorting biofuel policies in G-20 member states.

ENDNOTES

- 1 Cerkia Bramley is an agricultural and food law researcher at the Institute for Food, Nutrition and Wellbeing at the University of Pretoria. She can be contacted at cerkia.bramley@up.ac.za.
- 2 According to FAO (UN Food and Agricultural Organisation), around 870 million people are chronically undernourished.
- 3 FAO, 'Rome Declaration on World Food Security', 'World Food Summit Plan of Action'. Rome: FAO, November 1996.
- 4 G-20: Ministerial Declaration, 'Action Plan on Food Price Volatility and Agriculture'. Paris, 23 June 2011.
- 5 ICSTD (International Centre for Trade and Sustainable Development), *Price Volatility in Food and Agricultural Markets: Policy responses*. Geneva: ICSTD, 3 May 2011.
- 6 *Ibid.*
- 7 *Ibid.*
- 8 Gonzalez CG, 'Trade Liberalization, Food Security, and the Environment: The Neoliberal Threat to Sustainable Rural Development', *Transnational Law and Contemporary Problems*, 14, 2, University of Iowa, pp. 419–498.
- 9 G-20, *Seoul Summit Document*, Seoul, 14 March 2012, p. 3.

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