

Food Aid As Part Of A Coherent Strategy To Advance Food Security Objectives

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I. Introduction

The one Millennium Development Goal (MDG) on which the world is backsliding, rather than making progress, is in cutting hunger in half by 2015. Undernutrition – insufficient nutrient intake, closely and causally associated with the experience of hunger – is growing, especially in the poorest countries, and above all in sub-Saharan Africa. This is worrisome for both instrumental and intrinsic reasons. Instrumentally, the World Health Organization (WHO 2002) reported that undernutrition is the single greatest threat to health worldwide. And since human health is a central determinant of adult earnings (Strauss and Thomas 1998), by extension, undernutrition is one of the greatest threats to income growth and poverty reduction. Failure to make progress on the hunger MDG is thus likely to retard progress in halving extreme poverty and other MDGs. Furthermore, there's an intrinsic reason to worry about undernutrition. Severe undernutrition violates the internationally recognized human right to food and is thus an indicator of failure by sovereign states and by the international community to adhere to the most basic humanitarian principles that supposedly underpin development programming.

When faced with undernutrition, food aid is an instinctive – and often an appropriate – policy response. But donor programming to combat food insecurity in low-income or disaster affected countries has too often been resource-driven, based on the availability of surplus food commodities for food aid programs, rather than needs- or rights-based. This must change if food aid is to become an effective tool for advancing MDGs. Poverty and hunger are mutually causal, each exacerbating the other. The humanitarian and development community must develop a coherent strategy for reducing acute food insecurity and poverty jointly, and then, based on that broader strategy, demonstrate when and where food aid is an appropriate tool with which to implement (part of) such a strategy, and when it is not. The natural objectives of such a strategy are to fulfill and protect basic human rights to life, health, and food and the reduction of chronic poverty and acute food insecurity. Food aid is only one resource, and not necessarily the primary one, to deploy in support of such a strategy.

This background paper briefly outlines the circumstances and applications to which food aid is well suited to advancing a coherent strategy for reducing acute food insecurity and poverty, and those to which it is not.¹ Food aid has been slowly evolving in this general direction over the past 10-20 years, although there remain important obstacles to putting food aid to its most effective and necessary uses: in addressing acute humanitarian emergencies, with some limited applications in asset protection (“safety net”) programming and even more limited support of asset building (“cargo net”) interventions in situations where effectively no other resources are available. Food as a resource can most effectively advance food security and poverty reduction objectives by ensuring adequate availability of and access to necessary nutrients – especially at periods critical to long-term cognitive and physical well-being – and by pre-empting distress sales of productive assets – or the cessation of investment in children's education – that might imperil future well-being. This preferred pattern of use underscores the importance of linking food aid directly to conditions of insufficient local food supply and imperfectly functioning food markets. In other situations, alternative instruments are typically more effective than food aid in meeting humanitarian and development objectives. Other policy objectives traditionally associated

¹ Barrett and Maxwell (2005) develop these ideas in greater detail.

with food aid (surplus disposal, export market development, maintaining a maritime fleet, etc.) are likewise best achieved with policy instruments other than food aid.

II. Core Concepts and Principles

A. Poverty Traps and the Asset-Based Approach to Poverty Analysis

Perhaps the most fundamental lesson of recent economic research on poverty is the need to distinguish transitory from chronic poverty, between those who become poor temporarily but naturally recover after a short while, and those who remain in poverty for extended periods, often an entire lifetime, and pass their poverty on to their children (Baulch and Hoddinott 2000, Barrett and Swallow 2006, Carter and Barrett 2006). A poverty trap exists when the natural course of economic growth does not lead an individual, household or sometimes even a whole village or region beyond poverty (Barrett 2005, Carter and Barrett 2006). Time is a natural ally for those who find themselves in transitory poverty, but not at all for those caught in a poverty trap.

Some people are born into chronic poverty. Poor maternal health and nutrition, early childhood malnutrition, poor health care, limited or no access to education, and scant household productive assets limit their ability to claw their way out of the poverty and food insecurity into which they were born. Others start out better off, but fall into chronic poverty because of an adverse shock or series of shocks. Natural disasters and conflict are tragic not just because of the temporary displacement and deprivation they bring but perhaps especially because they can wipe out in a moment what households have labored years to accumulate through disciplined savings and investment. Brief disturbances can thereby have persistent effects. These two effects are often mutually reinforcing as those who start off in poverty are far more likely to suffer serious adverse shocks that knock them back down as they struggle to climb out of poverty.

Shocks can have persistent effects only in the presence of threshold-based poverty traps. Threshold effects exist when people with very similar initial positions nonetheless follow different welfare or asset accumulation trajectories over time. Above the threshold, poverty is only transitory; the natural dynamic of accumulation leads to increasing productivity and standards of living. Below the threshold, however, people find themselves trapped in a low-productivity state of chronic poverty and vulnerability due to a lack of productive assets (e.g., land, livestock, education, capital) and the meager returns they earn on the few assets they do own (e.g., due to poor market access or the rudimentary agricultural technologies they use). Absent access to capital, their only path out of long-term poverty typically requires infeasible or unrealistic levels of personal sacrifice and savings in order to make productivity-enhancing investments in new assets and livelihoods. Indeed, in many cases, they cannot even afford to maintain current productivity by investing in the maintenance of the assets they own, instead mining these for current subsistence at the cost of future productivity and continued, chronic poverty and vulnerability.

The thresholds that distinguish transitory from chronic poverty give rise to a crucial policy distinction between *cargo nets* and *safety nets*. Safety nets are asset protection interventions intended to prevent the non-poor and transitorily poor from falling into chronic poverty. Because people can become temporarily poor up to some threshold level and still recover from shocks on their own, often quickly, the role of safety nets is to keep them from crossing that threshold, from becoming chronically poor and food insecure. Emergency feeding programs, crop, unemployment or weather insurance, employment guarantee schemes and disaster assistance are common examples of formal safety net

interventions by governments and operational agencies. While some of these policy instruments can be used as well for cargo net or humanitarian interventions, they are best understood as safety nets when used primarily to insure against asset loss so as to preserve beneficiaries' capacity to recover from shocks and to grow their way out of poverty. Social solidarity networks and systems of informal mutual insurance often provide safety nets internal to communities. The possibility of partial displacement of these private safety nets by publicly-provided safety nets has long been a concern for the design of safety nets. Practitioners need to minimize the crowding out of informal safety nets, although most rigorous estimates suggest those effects are reasonably modest (Barrett and Maxwell 2005, Lentz et al. 2005). Safety nets catch people, keeping them from falling too far; then people step off the net and climb back up on their own.

Cargo nets, by contrast, help climbers surmount obstacles or can be used to lift people and communities, overcoming the structural forces that otherwise keep them down. Cargo nets are thus meant to lift those who fall below critical thresholds or to help them climb out of chronic poverty and food insecurity. Familiar examples of cargo net policies include land reform, targeted school feeding programs, education and skills training initiatives, targeted subsidized microfinance or agricultural input subsidization projects, etc. As with safety nets, the same instrument (e.g., school feeding) can serve safety net or humanitarian assistance aims when the emphasis of the intervention changes. Cargo net interventions aim at building chronically poor participants' asset stocks and/or improving the productivity of the assets they already possess.

Safety nets block pathways into chronic poverty and food insecurity for the non-poor and transitorily poor. Well-designed and implemented cargo nets can set people onto pathways out of chronic poverty. In order to be effective, cargo net interventions must target the chronically poor and safety nets must target the transitorily poor, meaning cargo nets and safety nets must be set on opposite sides of the threshold(s) at which natural path dynamics break in different directions: safety nets set above and cargo nets targeted to those below the threshold(s). This implies a central role for effective targeting, in order that the appropriate policies are applied to the right subpopulations.

The concept of poverty traps and the resulting distinction between safety nets and cargo nets is fundamental to development and humanitarian policy. The longer individuals remain in poverty, the more vulnerable they become to natural disasters and civil strife, and the more likely that overseas aid must be channeled in the form of relief efforts intended to protect basic human rights in acute humanitarian emergencies. As aid becomes concentrated in relief efforts, however, this diverts scarce resources from addressing the structural causes of chronic poverty. Without highly effective safety nets, a vicious cycle thereby ensues, with individuals falling into poverty traps. Moreover, as the population ensnared in poverty traps grows, international assistance becomes ensnared in relief traps as emergency operations consume an increasing share of scarce foreign assistance budgets, effectively precluding long-term development assistance through critical investments in non-emergency education, health, agriculture and infrastructure initiatives. Reduced investment in addressing the root structural causes of poverty, however, increases the likelihood of future emergencies, trapping donors in a vicious circle in which they can increasingly finance only relief operations accompanied only occasionally by under-funded structural investments. That's a relief trap. Global development assistance flows appear to have fallen into a relief trap as many poor peoples have fallen into a poverty trap (Barrett and Carter 2001-2).

In this evolving view of poverty dynamics as conditioned by threshold-based poverty traps, the important questions surrounding food aid therefore relate to if, when, where and how assistance in the form of food can be used to create safety nets to keep people from becoming chronically poor, and if, when, where and how food aid can contribute to cargo nets. This view complements the rights-based approach to which we now turn, which focuses on the more fundamental question of when, where and how food aid can be used in humanitarian response to meet the basic human right to food.

B. Human rights-based approaches²

The right to food is enshrined in both the 1948 Universal Declaration of Human Rights (Article 25) and the 1966 International Covenant on Economic, Social and Cultural Rights, or ICESCR (Article 11). In 1999, the United Nations Committee on Economic, Social and Cultural Rights clarified the right to food when it attached a "general comment" on this right to the ICESCR. General Comment No.12 defines this right as "having physical and economic access to food of adequate quality and quantity, and having the means to obtain it, including access to food via means of production or procurement." This clarified right looks strikingly similar to prevailing definitions of "food security".

The right to food is generally understood to constitute a claim of the individual vis-à-vis the state in which s/he resides – and prospectively relative to other extra-household entities within the international community – and generates individual entitlements and related obligations potentially enforceable in courts of law. This underlines the difference between needs and rights. Rights imply an obligation on the part of other parties that needs do not.

This relational nature of rights carries a strong implication. The Universal Declaration of Human Rights makes it clear that all humans are born with rights, and that with rights come duties. This is the sense in which a rights-based approach differs fundamentally from a needs-based approach: where someone has a right, other parties necessarily have a corresponding duty relating to that right. Whereas needs may or may not be met, rights and responsibilities go together. The distinction between a failure to meet others' needs and a failure to meet one's own responsibilities associated with others' rights is subtle, but powerful.

Human rights are by their very nature interrelated and interlocking. The right to food, for example, is fairly meaningless without corresponding rights to health, education, and a productive livelihood. Most advocates for the right to food advocate more broadly for the right to nutrition, incorporating health and basic care, which in turn relate to the rights of women. Picking and choosing among rights undermines the seamless nature of the human rights. Thus a rights-based approach becomes very similar in intended outcomes to an approach aimed at reducing persistent poverty, i.e., at ensuring broad-based quality of life. A rights-based approach obligates states and the international community to deal not only with acute food insecurity but also with the chronic poverty that causes people to be acutely hungry for long periods of time. Food-based interventions that fail to attend to the underlying causes of persistent poverty and food insecurity may keep people alive while failing to prevent recurrent or intensifying problems.

² See Barrett and Maxwell (2005), chapter 6, for more detail on rights-based approaches.

Over the past decade, many operational agencies have begun to adopt a rights-based approach to food security and development programming. The focus of a rights-based approach is not only at the household level, but also explicitly at the policy level, on the obligations of extra-household actors in fulfilling individual human rights, both in terms of process and outcomes, such as food security. The principle of the “right to life with dignity” is used by many to encompass the whole range of rights enshrined in the UN Charter and the Universal Declaration of Human Rights. Life with dignity implies something beyond just the provision of life-saving assistance, and is a powerful organizing principle for both the humanitarian and development communities.

Another essential element of a rights-based approach is the analysis and mitigation of unintended and negative impacts or side effects of programming—that is, holding actors accountable for the consequences of their actions, whether intended or unintended. This emphasis traces its contemporary roots to the evaluation of the negative impacts of the 1994-96 relief efforts in the aftermath of the Rwanda genocide, in which humanitarian aid was clearly implicated in permitting the militias that had committed atrocities to regroup and take control over the refugee camps in Eastern Zaire (now the Democratic Republic of Congo). Since then “do no harm” has become a mantra in the international humanitarian community.

C. Integrating Poverty Traps and Rights-Based Approaches

There is a fundamental complementarity between the rights-based approach to development and humanitarian assistance and one based on the economics of poverty traps. The rights-based approach emphasizes individuals’ right to an adequate long-term standard of living, reflected in a variety of dimensions, as well as a corresponding obligation on the part of national governments, including donors. The economics of poverty traps similarly emphasizes long-term perspectives and the structural causes of short-term deprivation, as well as the needs that might induce external intervention to keep people from falling below critical asset thresholds, including (but not limited to) those based on physiological need for food. While the rights-based and needs-based, poverty traps approaches are by no means perfect substitutes, they are nonetheless highly congruent. By either approach, there emerge three key strategies to combating chronic food insecurity, poverty and vulnerability.

First, donors and governments must be prepared to act quickly and substantively to address humanitarian emergencies where and when they occur. The necessity of emergency response quite obviously supports a short-term, rights-based approach in that those with authority and resources incur an obligation to protect human rights to food, health, education, etc. when emergencies threaten individuals’, households’ and communities’ capacity to provide for themselves adequately. It also forms a critical piece of a poverty traps approach. The most extreme cases of micro-scale poverty traps involve essentially irreversible human capital loss or human development failures due to childhood undernutrition, illness, injury and lack of education. Not only are human rights most intuitive at this scale and setting, but the most compelling models of poverty traps emerge at this micro scale as well (Carter and Barrett 2006). Undernutrition, morbidity and a lack of education early in life can lead to permanent reductions in physical stature, health status and cognitive development associated with sharply increased risk of involuntary unemployment and lower incomes in adulthood, thereby propagating poverty across generations (Dasgupta 1993, 1997, Loury 1981, Strauss and Thomas 1998).

Second, both a rights-based approach and a needs-based approach founded on the economics of poverty traps point toward the importance of safety nets for the protection of critical productive assets, most especially human capital. If productive assets underpin long-term well-being, then combating chronic poverty and hunger demands keeping those who are not currently chronically poor or acutely food insecure from losing assets to the point that they fall below a critical threshold and collapse into a poverty trap. The objective is to promote households' resilience in the face of various shocks. By similar logic, safety nets are necessary to ensure the protection of basic human rights when people confront adverse shocks to their living conditions. The threat of uninsured asset loss and the possibility that unforeseen events can knock people into lower-level livelihood strategies underscore the extremely valuable role safety nets can play in mitigating asset risk, in keeping short-term shocks from leading to chronic poverty and acute food insecurity through endogenous asset decumulation or low-return production and portfolio strategies. Put more vividly, safety nets keep people from falling into a vicious cycle of deepening, long-term destitution. While the experience with targeted safety net schemes has been mixed, many seem to work well when designed and implemented properly, perhaps especially those based on public employment guarantees, including food-for-work programs (von Braun 1995).

Third, those who are already in a poverty trap need assistance in building up productive assets to or beyond the critical threshold at which accumulation dynamics bifurcate and/or improving the productivity of those assets so as to move the threshold and stimulate endogenous growth and accumulation. This is the domain of "cargo nets", targeted interventions expressly aimed at helping the destitute exit chronic poverty by building up the stock and productivity of the financial, human, natural, physical and social capital at their disposal. This is essentially a familiar investment strategy, typically founded especially on advancing the labor productivity of the chronically poor through education, health and nutrition, physical asset-building interventions, and technological innovations and improved market access.

Whether approached from a rights-based perspective or a needs-based approach following the economics of poverty traps, these three pillars – emergency humanitarian assistance, safety nets and cargo nets – form the three-part foundation of a sensible strategy for reducing chronic poverty and acute food insecurity. But these basic pillars extend well beyond food as a resource. So where does food aid fit into an overall strategy for reducing poverty and food insecurity?

III. Where Food Aid Fits In

Barrett and Maxwell (2005) propose an approach which can be summarized as three distinct (albeit inter-related), ordinal-prioritized uses of food aid resources, accompanied by a blanket caution. The subsequent four subsections tackle these in turn. A key point to underscore is that the use of food aid must always be in support of — not instead of — other longer-term strategies and investments to reduce chronic poverty and vulnerability. And food aid must be utilized in ways that complement — not undermine — these strategies. Applicability should be reviewed on a case-by-case basis. Food aid delivery should be governed by adequate international mechanisms and triggered by accurate

information about both the nature of food crises, and the magnitude of food requirements, together with requirements for other necessary interventions.³

A. Emergency Humanitarian Assistance

Emergencies can be caused by economic shocks (e.g., financial crises), natural disasters, pandemics, militarized conflict, or some combination of these factors. One early consequence of many shocks is the collapse of food production and distribution systems, accompanied by deterioration in peoples' ability to access adequate and appropriate food. Food aid is thus often a necessary component of humanitarian response in emergencies. Indeed, in the short term, food aid is often the only option for the protection of the human right to food in emergencies.

However, food aid is not always and everywhere an appropriate response to acute humanitarian emergencies. While food assistance may often be a necessary component of response to emergencies that involve a collapse of production systems or entitlements (or both), it is very rarely, in itself, a sufficient response. It is essential to identify the key contexts in which direct delivery of food — whether sourced locally or internationally — makes sense, as well as to identify complementary responses in, for example, human and animal health care, conflict resolution, or provision of shelter, water and sanitation services.

As a basic rule of thumb, food aid, in the form of physical delivery of commodities, is an essential resource for responding to acute humanitarian emergencies that are underpinned by both a significant food availability deficit and a market failure. When faced with an outright deficit of food in a given location, whether at the scale of a local community or a nation state, the food necessary to meet human consumption requirements has to come from somewhere else. When coupled with market failure — due, for example, to conflict or to natural disaster that has destroyed roads and other essential marketing infrastructure, or to powerful social networks that effectively exert market power by forcibly excluding entry by credible competitors — then even increased availability of cash in the hands of food insecure people does not stimulate sufficient commercial inflows from surplus areas to meet local needs. Instead, it often drives up local prices, making cash-strapped households even more vulnerable to food insecurity and directly hurting those inadvertently omitted from the beneficiary roles. The set of circumstances characterized by a significant food availability deficit and a market failure may be thought of as the “first-best” use of food aid. And although such circumstances are arguably becoming less frequent worldwide — even as emergencies appear to become more frequent and severe — they remain distressingly common.

In emergencies underpinned by just one of these two criteria (food deficits or market failures) food aid is only sometimes appropriate and following only some modalities. In emergencies underpinned by food market failures, the appropriate mix between international food shipments and food aid commodities sourced more locally, whether in other regions of the affected country (local purchases) or in nearby countries (triangular transactions or regional purchases), depends fundamentally on the quantity, cost, accessibility and quality of local surpluses relative to donor country commodities. In many smaller-scale emergencies, nearby food availability is adequate and at sufficiently low cost to meet most delivery needs. In larger-scale emergencies, transoceanic shipments often become necessary.

³ Many of these points are summarized in the “Berlin Statement on Food Aid for Sustainable Food Security” (von Braun, 2003).

By contrast, where adequate food is available and affordable through markets that remain accessible to disaster-affected people, food aid is typically not an appropriate resource. This is most commonly the case in urban crises, where a strong network of traders continues to operate and food insecurity typically reflects unemployment or extremely low wages best addressed through means other than food aid. It is often the case in natural disasters (e.g., the December 2004 tsunami) that do not significantly disrupt pre-existing food distribution systems or local agricultural production but do destroy livelihoods. Cash transfers – whether directly through disaster payments, public employment schemes or other transfer systems – are generally the response of choice in such settings if operational agencies can reasonably effectively target vulnerable households. Then local private sector traders can typically move food in more quickly and cheaply than international agencies, who can themselves deliver cash more quickly than food. The trick is obviously making cash available from donors. The one notable exception comes when targeting is difficult and food aid monetization can help stabilize food prices in an urban area with many food insecure residents.

B. Asset Protection: Food Aid In Support of Safety Nets

The circumstances under which food aid-based safety nets make sense are similar to those for food aid for humanitarian assistance. When and where an overall food availability shortfall combines with markets that do not function well enough to support an effective cash-based transfer system, the provision of food as a transfer can spare recipients from having to liquidate productive assets (e.g., livestock, land, a small business) in order to purchase foods essential for maintaining adequate nutrition and health.

However, food itself is rarely sufficient to define the critical asset thresholds that a safety net must defend. Therefore, food aid works in support of safety nets only where it reduces participants' vulnerability to adverse shocks and protects their broader portfolio of productive assets and their recovery capacity when they suffer shocks. Moreover, food aid-based safety nets almost always require other, complementary inputs or activities to protect the productive assets of vulnerable peoples. As a result, the role of food aid in establishing and maintaining safety nets is more limited than its role in acute humanitarian emergencies, where the objective is more simply to protect human life and to fulfill the right to food.

A wide range of safety nets exist, among them conditional and unconditional cash transfers, employment guarantee schemes, subsidies for goods (e.g., food) or services (e.g., health care, education, transport). Most safety nets require financial resources more than – or at least in addition to – food resources. In general, cash-based safety nets have been underutilized, especially in emergencies. But as experience with them – and documented efficacy — grows, interest in cash-based safety net programming is increasing.⁴

As with food aid for emergency response, where markets remain accessible to food-insecure groups so long as they get cash with which to buy food, cash-based transfers are typically a less expensive, more effective and more timely means of providing a safety net. For example, public employee schemes based on cash wages have often proved more effective than food-for-work schemes and are almost always less expensive to run.⁵ But cash-for-work schemes obviously require cash resources, which may be feasible in middle-

⁴ See Harvey (2005) for a detailed review of the evidence on cash and vouchers in emergencies.

⁵ See von Braun (1995) for evaluations of public works schemes based on cash versus food. See Barrett and Clay (2003) for evidence on prospective Ethiopian participants' differential valuation of cash versus in kind wage payments.

income countries, but are rarely available in low-income countries that depend on donors who continue to provide much of their assistance in the form of food commodities rather than cash.

Food aid can nonetheless play a valuable role in underpinning some safety nets. The primary reason food is a key resource in safety net design is that protecting human health is essential both for human rights reasons and because future productivity depends so fundamentally on human capital, especially among the poor who own little other than their own labor power. The irreversibility of some nutrition-related health problems – for example, blindness related to vitamin A deficiency, brain damage related to iodine deficiency, physical stunting from sustained protein energy malnutrition – makes the insurance of food security especially important for long-term development. Thus safety nets with respect to individual nutrition and health are fundamental to blocking vulnerable people's descent into chronic poverty and food insecurity in the wake of shocks, whether specific to the family (e.g., a farm or road accident) or general to a region (e.g., civil strife or drought). There is now significant experience with food-based safety nets, especially through the WFP.⁶

The classic food-based safety net activities involving food aid are employment guarantee schemes organized as food-for-work (FFW) programs.⁷ FFW schemes span a wide range of activities. Most aim at creating or maintaining community assets — e.g., reforestation, road maintenance, water resource protection — but an increasing proportion focus on more individually held assets – e.g., on-farm soil and water conservation or job skills training. In this sense, there is not always a clear distinction between safety nets and cargo nets (see the next subsection for more on food aid in support of cargo net interventions). The difference really comes down to the balance between insurance (safety net) versus asset building (cargo net) objectives, which cannot always be effectively differentiated or reconciled. It therefore becomes essential to be very clear as to the primary objective of a public works program: is it intended mainly to serve as a safety net to protect vulnerable individuals and households against calamitous asset loss or as a means of building up assets for poor individuals or communities? The Tinbergen Principle – that one typically needs one separate policy instrument for each policy objective – applies here as much as it does to food aid more generally.

Just as the distinction between cargo net and safety net activities is often blurred in FFW activities, so is the distinction between emergency humanitarian response and safety net operations similarly subtle. Moreover, the two must often be linked in practice. Where emergency humanitarian assistance focuses on protecting a minimally acceptable standard of living and fulfilling basic human rights, regardless of recipients' capacity for subsequently lifting themselves up by their bootstraps, safety nets aim more broadly at protecting the broad array of productive assets that underpin target populations' sustainable livelihoods and their capacity to recover and grow. In rural areas where sustainable livelihoods depend on more than just human capital, the distinction between emergency humanitarian response and safety nets becomes important. In places with active labor markets – typically towns and cities – where wage or salary employment suffices to keep people out of poverty and food insecurity, human capital (good health, nutrition, education and the capacity to work) may

⁶ See WFP (2004) for more detail on WFP experiences with food-based safety nets.

⁷ Von Braun (1995), Ravallion (1999) and Barrett et al. (2004) discuss such schemes in detail.

be the primary relevant asset and thus the distinction between humanitarian response and safety nets virtually vanishes.

The protection of productive assets reduces the need for future emergency humanitarian response. Emergency response systems must be activated when safety net systems are either overwhelmed by a covariate shock (e.g., a massive drought, floods or civil war), or are ineffective or non-existent. Safety nets and humanitarian response are thus nested interventions, both in conceptual and practical terms, particularly where vulnerability results primarily from climatic, environmental or economic shocks. Because safety nets require the reliable presence and functioning of government or NGO providers, however, they are typically not viable where vulnerability results from conflict or poor governance associated with a failed state. Safety nets thus function best in insuring against climatic, economic, environmental and health shocks, and less well in protecting against those related to civil disturbances.

Safety nets commonly get overwhelmed in low-income countries where risk mitigation policies are thin or non-existent and shocks increasingly lead to destitution, necessitating the use of formal and informal social safety nets as coping mechanisms to protect the assets of vulnerable peoples. Risk mitigation – ex ante measures to reduce the likelihood of suffering a shock – is typically less costly and more effective than coping mechanisms – ex post responses to reduce the adverse impacts of a shock. One needs to be very careful, therefore, that resources devoted to responsive safety net interventions in no way substitute for resources devoted to preventive measures to mitigate the suffering associated with adverse shocks. For example, diversion of scarce development resources from investment in, say, developing drought-tolerant cereals cultivars that might limit the impact of unavoidable climate fluctuations to fund instead immediate needs for food aid and other forms of emergency response to drought may only reinforce the long-term vulnerability of the target population.⁸

Finally, in order to be effective, safety nets must provide timely and predictable institutional responses that help individuals, households and communities cope (ex post) with adverse shocks. This raises a host of operational considerations associated with targeting, early warning systems, supply chain management that lie beyond the scope of this background paper. See Barrett and Maxwell (2005) for a detailed discussion of these issues.

C. Food Aid In Support Of Asset Building and Productivity Improvement

The extensive literature on economic growth, development and demography teaches us that sustained improvement in the human condition turns fundamentally on technological change, improved market integration to take advantage of gains from trade due to specialization and to dampen risk by diffusing shocks broadly, and sustainable accumulation of productive assets, especially human capital in the form of health and education. These broad classes of development interventions are essential to create incentives for private investment necessary to foster wealth accumulation and sustainable poverty reduction.

So-called “cargo net” interventions span a wide variety of activities intended to build public and private assets – such as roads or schools on the public side, and livestock, soil and water conservation structures, or education on the private side) – or to improve the productivity of existing assets – for example, job skills training or diffusion of improved

⁸ Unfortunately, this has been the general pattern in donor countries over the past 15-20 years, as short-sighted donor response has created a “relief trap” for donors intimately related to the “poverty trap” into which particular subpopulations are steadily falling (Barrett and Carter 2001-2).

agricultural production technologies. Food aid for cargo nets, like food aid for safety nets or for humanitarian response, only makes sense where there are food deficits and local food markets do not work well. Furthermore, food aid only makes sense as part of cargo net interventions when it does not come at the (typically higher) opportunity cost of foregone investment in productivity improvement or asset creation. These are demanding criteria.

Food aid is typically not the most effective instrument for providing cargo nets and is often not even appropriate. The notable (but currently common) exceptions are cases where cash resources are simply unavailable and food enables recipients to undertake otherwise-infeasible investment – using either their savings from reduced food purchases, in the case of direct distribution, or the proceeds from monetization – in other productive assets, including equipment, skills or livestock, while doing no harm to non-recipients. There are relatively few such cases, especially relative to uses in emergency humanitarian response and support for safety nets. The chief reason is that food alone can rarely achieve the objective of building assets. Yet the necessary, complementary cash resources are often not made available by donors. This undermines the developmental aspect of the program and exacerbates the negative impacts of the food aid, since it basically forces people to sell, rather than consume, food aid received as part of a wage or benefit package.

In addition to food-for-work efforts that aim to create public or private assets, the main three other current uses of food aid for cargo net programming are (i) direct nutritional support to vulnerable groups — particularly mothers and young children through maternal and child health projects — (ii) school feeding programs to support nutritional objectives, school participation, or both, among older, school-aged children, and (iii) monetization of food aid to raise funds for a range of interventions intended to build assets or increase the productivity of intended beneficiaries' existing asset stock.

Nutritional support programs are exceedingly important for protecting vulnerable children in the first 24-36 months of life. Prenatal and early childhood undernutrition can result in permanent health problems. Therefore efforts to prevent early childhood (pre-school) undernutrition are a crucial investment in life-long health. Since adult health and physical stature are among the strongest and most important correlates of adult labor productivity and earnings (Strauss and Thomas 1998), prenatal and early childhood nutritional support programs are among the most important “asset building” interventions any agency can undertake. Yet while operational methods for using food aid in support of maternal and child health programs have improved steadily over time, food aid is generally an expensive way to support such programs. Much programming in this area has been driven by resource availability and, as is the case with emergency response and safety net programs, non-food requirements for this kind of support are often funded grossly insufficient levels.

School feeding programs likewise are valuable investments in building durable human capital for lifelong productivity and reduced future vulnerability to shocks. School feeding has been shown to increase school attendance (particularly of groups that often are not in school, such as girls) and to improve school performance where hunger and malnutrition are the constraint to performance (i.e., school feeding alone cannot address education quality issues). It remains an open question, however, whether school feeding programs are the best use of either scarce development resources or food aid, or whether food aid is the most effective means of enhancing school attendance or children's cognitive or physical development (US GAO 2002).

Other interventions based on food aid typically depend on the monetization of food resources to generate the cash necessary to undertake valuable cargo net programming.

Monetization is controversial and often inappropriate in such circumstances (Tschirley and Howard 2003), reflecting insufficient cash allocation by donors for long-term development programming (Barrett and Maxwell 2005).

D. Doing No Harm

Food aid, almost by definition, addresses acute *symptoms* of poverty and food insecurity, but it rarely tackles underlying *causes*. Indeed, food aid can, in some cases, aggravate the underlying causes of long-term food insecurity and poverty, particularly when food aid is driven by donor-oriented objectives such as surplus disposal, commercial trade promotion, or geopolitical manipulation, rather than by a rights-based approach or a needs-based approach founded on the economics of poverty traps. While food aid may be an appropriate intervention in an emergency where people are cut off from their means of livelihood and the short-term provision of food is required, it is less often an appropriate intervention when the nature of livelihoods themselves—or the political, economic, technological or environmental constraints of the system in which they are carried out—are part of the problem. It is simply infeasible for food aid to make up substantial, persistent deficits that affect entire nations. It is critical to fit the tool to the problem.

Moreover, even in emergencies, food aid can have serious unintended consequences incompatible with the objectives of reducing chronic poverty or protecting basic human rights (Barrett 2006). Any food aid programming must directly guard against such adverse effects. The greatest concern is that food aid might create disincentives to productivity growth in agricultural production and distribution (e.g., discourage adoption of improved production technologies or disrupt emerging markets). The latter is of special concern, since food aid is almost always dwarfed by commercial markets as a distribution channel through which the poor obtain food – even in emergencies in remote places – guarding against unnecessary disruption of markets should be a primary concern in all food aid operations, moreso than it has typically been to date.⁹ The “do no harm” principle must not be ignored simply because people and agencies are working feverishly to do good. Beware the law of unintended consequences.

IV. Conclusions

Distilling lessons from Barrett and Maxwell (2005) and subsequent studies, this background paper has argued that effective strategies for reducing poverty and vulnerability must focus both on fulfilling internationally recognized human rights and on chronic poverty and vulnerability, on those whose standard of living is persistently low or who are merely one adverse shock away from semi-permanent poverty — subpopulations who simply “can’t get ahead for falling behind” (Barrett and Carter 2001-2). This leads naturally to a three-part strategy based around emergency humanitarian response, safety nets to protect productive assets and facilitate recovery from shocks, and cargo net interventions to build poor people’s asset stock and productivity. Food aid can play a role in each of these three areas, although it is best suited to emergency humanitarian response and typically least well suited as a component of asset building and productivity growth strategies.

⁹ See Donovan et al. (2005) for a good review of the literature on food aid’s impacts on local markets.

V. References

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