

G20 Development Working Group Food Security Review

T20 submission

1. **A good start, then a wrong turn.** The G20's engagement in food security has passed through four phases. Its *first* phase saw the leaders' endorsement—effectively the multilateralisation—of the G8's 2008 [L'Aquila Food Security Initiative](#) (AFSI) and subsequently the creation of the [Global Agriculture and Food Security Program](#). Both these measures were essentially about improving agricultural productivity, with an emphasis on smallholder productivity, and resilience to food price shocks. They were not measures in which the G20 as such had any useful role to play, beyond exhortation. In the *second* phase, the G20's development agenda took shape with the adoption of the [Seoul Development Consensus](#) and food security figured as one of nine pillars of activity to be taken forward by the Development Working Group (DWG), though the actions defined were generally vague. Food security was perceived to be one of the central pillars, along with infrastructure and financial inclusion. In the *third* and most active phase, the DWG's work on food security was for the most part subsumed by the [Action Plan on Food Price Volatility and Agriculture](#) developed by G20 agriculture ministers under the French presidency in 2011. The latter saw the creation of the [Agricultural Market Information System](#) (AMIS) and the related Rapid Response Forum (RRF), a move (ultimately unsuccessful) to pilot a regional emergency food reserve in West Africa and a commitment (somewhat rhetorical and so far untested) to refrain from creating barriers to the export of food for humanitarian purposes. In the *fourth* and still current phase, the G20 appeared to lose interest in the subject. [AgResults](#), which delivered on a Seoul commitment to trial results-based payments in agriculture, was launched in 2012; little else happened after 2011. The emphasis shifted toward generalised calls for assistance to smallholder agriculture, and away from an emphasis on systemic problems and responses. Food security was put back where it had been in the second phase, within the purview of the DWG. And the DWG is increasingly coming to be perceived as merely a technical body that ensures G20 leaders' priorities are backed up with appropriately targeted aid.

2. **A return to the main game.** The Food Security Review (FSR), mandated by the G20's [Saint Petersburg Development Outlook](#), marks a welcome return to the main game in the G20's consideration of the food security challenges facing the world, and particularly low-income countries. The review's [terms of reference](#) imply food security, and nutrition, should be accorded priority by the G20 to the extent that G20-led measures to enhance food security outcomes might contribute—presumably to a globally significant extent—to economic growth and job creation. This contribution, it is important to note, might either be growth-amplifying or shock-mitigating: improving food security, like strengthening safety nets, enhances community and state resilience in the face of external shocks, and may also help to maintain global aggregate demand in times of crisis. Admittedly, the fact that the FSR is being undertaken at all tends to imply that food security as a G20 preoccupation is 'on notice', which is also evidenced by its absence from the list of development policy priorities identified by the Australian presidency (promoting infrastructure investment, strengthening tax systems and increasing access to financial services).¹ Food security will survive as a G20 preoccupation on two conditions: that the FSR satisfactorily demonstrates its links with the growth and employment agenda, and that the FSR also identifies a distinctive contribution that the G20, as such, can make to the reinforcement of such links.

3. **Food security requires and contributes to sustained growth and job creation.** The growth and employment impacts of investment in agriculture have been quite fully described in the 2008 and 2013 World Development Reports on agriculture and jobs, respectively. The World Bank has concluded that 'agriculture has a well-established record as an instrument for poverty reduction' and that it 'can ... also be the leading sector of a growth strategy for the agriculture-based countries'.² The specific relationship between agriculture and job creation is more complex since mechanisation can reduce labour-intensity. However, agricultural employment in low-income countries is still dominated by family farms using labour-intensive cultivation techniques. In addition, a strong agriculture sector helps to create non-farm employment opportunities in rural areas. Most importantly, it can place countries on a trajectory toward economic diversification which delivers rural and urban employment opportunities across all sectors. The potential for a significantly negative relationship to develop between food insecurity and global growth and stability was clearly demonstrated in 2007-08 when food price spikes sparked riots in over 30 countries and led to panic-buying and the imposition of export restrictions. Food insecurity clearly has deleterious impacts on human capital: the UN has estimated, in 2009, that each year between 1.8 and 2.4 million deaths in the Asia-Pacific region might be attributed to food insecurity.³ These points are as relevant to G20 member countries as to low-income countries. G20 countries contain roughly half the world's chronically hungry people. And the G20 (including the countries represented by the EU chair) is responsible for the lion's share of global production and consumption of agricultural products—it accounts for 65 per cent of the world's agricultural land, 77 per cent of cereal production, and 80 per cent of trade in agricultural products.⁴

4. **Principles for renewed G20 engagement.** For the reasons sketched above, the FSR should meet with no difficulty in drawing out the connections between food security and nutrition on the one hand, and growth and employment on the other. It will, however, meet with greater difficulty in establishing what specific contribution the G20, as a leader-level forum with an economic cooperation mandate, might make to the positive reinforcement of such connections. The FSR should first apply broad principles for G20 engagement, then survey the field of possible priorities, then home in on those which combine the greatest potential for impact with a reasonable degree of feasibility. The broad engagement principles seem clear enough, even if disregarded over the last two years. The G20 should focus on measures that have the potential to yield substantial benefits on a global scale, which are not more appropriately pursued in other forums such as the Food and Agriculture Organisation's Committee on World Food Security or the World Trade Organisation. The G20's primary modes of action should be (a) coordinated domestic policy reform and (b) strategic policy coordination with respect to the major global institutions that

¹ 'G20 2014: Overview of Australia's Presidency', Australian Government, December 2013, p. 5.

² [Agriculture for Development](#), World Bank, World Development Report 2008, p. 6. See also the 2013 World Development Report, [Jobs](#).

³ 'Towards sustainable agriculture and food security in Asia and the Pacific', UN Economic and Social Commission for Asia and the Pacific, Note by the Secretariat, 65th Session, E/ESCAP/65/29, 5 February 2009.

⁴ 'The G20 and Food Security: What is the Right Agenda?', Sophia Murphy, The Stanley Foundation, Policy Analysis Brief, March 2013, p. 3.

invest resources in food security and nutrition, primarily the multilateral development banks (MDBs) and the international agricultural research organisations. Contra the FSR's terms of reference, the G20's concern should be global food security rather than food security in low-income countries, given that half the world's food insecure people live in G20 countries.

5. **The universe of food security priorities.** There are three main areas in which the G20 might, in principle, make contributions of systemic significance in the domain of food security and nutrition.
- i. *Policy coherence.* The G20 could help to build a shared understanding of improved food security and nutrition as a driver of economic growth—and as a buffer against reversals—at all levels (local, subnational, national, regional and global) and as a source of employment creation in smallholder agriculture, throughout the value chains in which agricultural products figure and throughout economies as they transition out of dependence on agriculture. The FSR itself might contribute to this end. More importantly, the [Mutual Assessment Process](#) (MAP) associated with the G20 Framework for Strong, Sustainable and Balanced Growth could explicitly assess the impact of domestic and external (particularly aid and trade) policies on food security at all levels. The World Bank could provide regular, independent assessments of the aggregate impact of G20 member countries' domestic and external policies on global food security.
 - ii. *Food availability.* Recognising that the principal cause of food insecurity at the present time is lack of access to safe, nutritious and affordable food, rather than an excess of aggregate demand over supply, the G20 could seek to facilitate food availability through measures to mitigate food price volatility and its impacts and ensure ready access to emergency food stocks. At the regional, national and subnational levels the G20 might promote measures to improve public and market-based distribution systems and increase food affordability for the poorest sections of the community. Specific measures here could include effective and regularly monitored implementation of the AMIS/RRF, trade policy commitments, reduced biofuel mandates, food aid reforms (including further consideration of the merits of regional emergency food reserves), real-time social impact monitoring initiatives along the lines of the existing, G20-mandated [Global Pulse](#) initiative, and measures to increase the coverage and quality of national social protection schemes.
 - iii. *Food production.* Recognising that population growth, changing patterns of consumption in emerging economies and climate change will necessitate a step-change in agricultural productivity during the decades to come, the G20 could pursue measures to encourage agricultural research and product development as a global public good, and measures to foster innovation in the private sector. Specific measures could include expansion of the AgResults pilot, strengthening of the [Consultative Group on International Agricultural Research](#) (CGIAR), promotion of innovative agricultural risk insurance mechanisms and domestic tax concessions or other incentives for high-impact, development-oriented research and innovation.
6. **Applying a reality-test.** A number of the measures flagged immediately above are in reality off the table. In particular, it is by now entirely evident that the G20 will not achieve, and will not seek to achieve, consensus on agricultural trade policy, biofuels policy or significant food aid disciplines. Further, the G20 has no functional capacity directly to promote cooperation or knowledge sharing between its members and low-income countries in areas such as social protection, agricultural risk insurance, the operation of national or regional food reserves, and rural infrastructure—and should not seek to acquire such a capacity. The G20 might seek to induce international or regional organisations to do more or operate differently in the latter areas but in general this would amount to micro-management. It would also likely cause further friction with non-G20 interests in the governing bodies of those organisations. The universe of realistic possibilities is, therefore, considerably smaller than the one portrayed above.
7. **Policy coherence and global public goods.** So how, realistically, can the G20 add value with respect to food security and nutrition, while keeping faith with its global growth and job creation objectives? It can do so in broadly two ways, namely by:
- ensuring structured and transparent appraisal of domestic policies bearing on food security at all levels, and
 - creating and maintaining global and regional public goods that, by enhancing food security and nutrition, contribute materially to global growth and resilience.

As indicated in paragraph 5(i), the structured appraisal of domestic policies would preferably be part of the MAP, with independent and public commentary by the World Bank. As for global public goods, several of the most relevant are, as indicated in paragraphs 5(ii) and 5(iii), AMIS, the CGIAR system and Global Pulse. The 2010 CGIAR reform process is currently undergoing a high-level review whose recommendations should be of interest to, and could be endorsed by, the G20. A fourth and no less important global public good would be a cross-institutional strategy for investment in food security and nutrition for the multilateral development banks (MDBs). The '[Joint Multilateral Development Banks' Action Plan for Improving Coordination on Food and Water Security](#)' from October 2011, essentially a response to the French presidency's food security agenda, was in no real sense a joint strategy or action plan. In any case it appears to have been forgotten; there is no evidence of follow-up. The MDBs, as the major external public investors in food security and nutrition in developing countries (and as the institutions most susceptible of G20 guidance), need better individual and collective strategies for ensuring country-specific investments contribute not only to national priorities but also to regional and global food security objectives.

This submission has been prepared at the invitation of the Lowy Institute for International Policy by Mr Robin Davies, Associate Director, Development Policy Centre, Crawford School of Public Policy, Australian National University; Professor Lorraine Elliott, Department of International Relations, School of International, Political and Strategic Studies, Australian National University; and Mr Paul Belesky, School of Political Science and International Studies, University of Queensland. The views expressed are those of the authors alone.