

Regional Cooperation for Poverty Alleviation and Food Security in Asia

As national strategies addressing Millennium Development Goals (MDGs) evolve, Asia continues to struggle for overcoming vast magnitude of poverty in the region. There are about 900 million or 68 per cent of world's poor people live in Asia, about 500 million in South Asia, 300 million East Asia and 100 million in South-East Asia and the Pacific. Apart from this about 160 million children are under-nourished in Asia. It is being proposed by various experts that this vast magnitude of poverty may also be addressed by substantially increasing average household incomes through enhanced trade integration. In the Doha Development Agenda (DDA), the international community decisively came forward to include poverty reduction as a main objective to ensure that the benefits of globalization reach everyone. Since then the importance of trade for poverty reduction has been emphasized in various fora.

Trade and investment have emerged as the two key instruments in the developing world to promote economic growth. Even though developing countries have become outward-oriented, they face declining terms of trade. Further, foreign investment is unevenly spread with around 55 per cent of FDI inflows received by developing countries going to the top five developing nations, while the 48 least developed countries (LDCs) receiving less than 1 per cent.

In spite of promoting trade and FDI growth, widespread poverty persists in Asian countries. This may be so because earlier poverty was equated with underdevelopment and there was lack of coherence between trade policy, macroeconomic management, and domestic agricultural policies.

It is therefore important for Asian countries to evolve a trade regime in agricultural products which should fully take into account dimensions of food security and poverty. Regional cooperation among these countries can also expand the range of income generating economic opportunities. In this context, it is important to identify the exact role of regional and sub-regional cooperation for addressing key constraints in ensuring market access for the region's agriculture

output with stability in the international prices and generating income in rural areas.

Approach to Food Security and Poverty by Regional Groupings in Asia

ASEAN has undertaken several initiatives to address the social impact of the recent economic and financial crisis and to deal with the problem of poverty. Regional cooperation in human capital development focuses on the sharing of best practices in and capacity building for employment promotion, manpower planning, skills training, social monitoring, and design of emergency social safety nets. These projects are being implemented in the frameworks of the ASEAN Plan of Action on Rural Development and Poverty Eradication and the ASEAN Action Plan on Social Safety Nets to ensure that measures are taken to protect the most vulnerable sections of the communities. In this direction of providing a safety net in terms of food security, all ASEAN countries, having acceded now to the Agreement on the ASEAN Food Security Reserve, have earmarked 87,000 metric tonnes for the ASEAN Emergency Rice Reserve.

Such concerted efforts are yet to be launched in South Asia. The meeting of SAARC Agricultural Ministers held in Islamabad, Pakistan, in October 1996, strongly underscored that, while national efforts must continue to remain the main element of any strategy to eradicate hunger, it is equally important to forge a strong global coalition for ensuring food security. The coalition must implement effective steps at all levels - international, regional and national to promote food security.

There are two important regional-level SAARC initiatives for poverty alleviation that need to be mentioned. The 11th SAARC summit, Kathmandu had also directed the Council of Ministers to review, on a continuous basis, the Regional Poverty Profile to be prepared under the SAARC Secretary-General with the support of related UN agencies and other institutions. The SAARC Regional Poverty Profiles published in 2003 and 2004 bring out important

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lessons from the regional poverty situation. The other important milestone in this direction is the Report of the Independent South Asian Commission on Poverty Alleviation (ISACPA) presented at the 12th SAARC Summit in early January 2004 in Islamabad, Pakistan.

Regional and Sub-regional Cooperation for Food Security and Poverty Alleviation

There are several ways regional cooperation may help address some of the specific challenges faced by Asian agriculture and rural sector. Some of the key areas for such cooperation are listed below.

Regional Cooperation for Securing Better Market Access and Better Returns on Produce

Overcoming the Non Tariff Barriers

Among the various concerns of the developing countries related to trade and environment, the one that has generated a lot of debate is the use of stringent environmental standards as non-tariff barriers against trade with developing countries. There are countries in Asia, which have experienced losses in exports because of difficulties to comply with certain sanitary and phytosanitary (SPS) standards in markets. LDCs in the region such as Bangladesh had to individually bear the cost of upgrading sanitary conditions for frozen shrimp industry to satisfy the EU and the US hygiene requirements. It is estimated that \$ 18 million was spent to upgrade plants in 1997-98. The total compliance cost that is required to maintain Hazard Analysis Critical Control Points (HACCP) is estimated to be \$2.2 million per annum.

The concept of equivalence has been recognized in the SPS Agreement and is also being encouraged at the international level by the Codex Alimentarius Commission with a view to using pooled resources more effectively, avoiding duplication of inspection and testing, and ensuring that health and safety requirements are met effectively.

In this regard, Regional Eco labels may also be considered to overcome high cost of certification for textiles and other goods.

Cooperation for Joint Marketing

To derive larger benefits from trade and investment, economies in a region there is a need to explore possibilities for joint marketing strategies at the regional level. This may include promotion of joint ventures between regional commodity exporters for quality packaging and marketing and value addition. The commodities may include tea, coffee, jute, cardamom, basmati rice, spices, etc. which are currently exported in bulk and are subject to low unit value realization.

Ensuring Stability in Commodity Prices

There is a continuous decline in the agriculture prices especially in the South Asian region. As Figure 1 shows the commodity prices in the year 2002 are far below their level of prices in seventies. The international trade regime has to attend to these developments and support the affected countries as they lack the resources to cope with falling and unstable prices.

In several Asian countries, huge stock of food is preserved to tackle uncertain weather conditions. If sub-regional cooperation in Asia is encouraged in this direction, then it may have enough buyers and sellers which may facilitate functioning of such exchanges which would provide flexibility of management with no loss of grains. This may also help in price stabilization of their produce.

Promoting Joint R&D for Food Security and Poverty Alleviation

Advancing Research for Productivity/Yield Enhancement

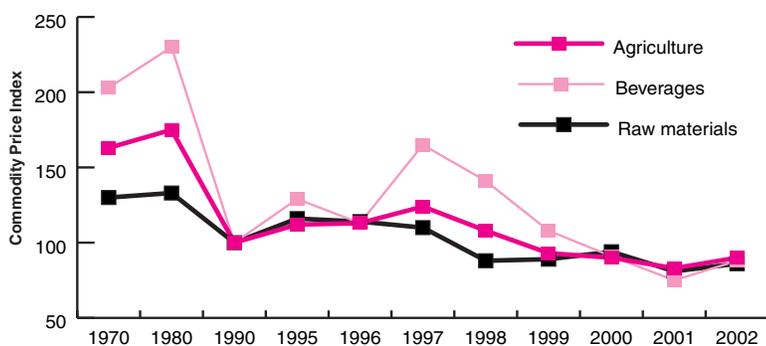
In last decade or so the stagnation in productivity of major food crops has become a cause of concern in the rural areas. Several national and international research agencies are already working in this direction. However, there is scope for initiating joint research projects at the regional level to address these concerns. Biotechnology offers several ways by which average yields can be directly increased. This is especially true for rice, which is the key crop in the Asian region. The new rice architecture being studied by the International Rice Research Institute (IRRI), as well as by some private sector companies, thus is likely to enhance nutritional quality further apart from addressing the yield barriers.

More focussed joint work may provide not only more resources but would also help in tapping various genetic requirements through joint R&D initiatives.

Establishing Regional Gene Banks

In recent years increasing evidence of commercialization of products based on biodiversity and related knowledge systems have come to light. A major contribution to this trend has been the rapidly expanding biotechnology industry. An associated development has been the increase in the number of

Figure 1: Trend in the Price Index of Primary Commodities (1990=100)



Source: South Asia Development and Cooperation Report 2004, RIS, New Delhi.

patents and other forms of IPRs based on biodiversity and traditional knowledge system.

The Asian region needs to develop mechanisms to pool and access the germplasm for cereals and other primary crops and jointly work for improvement of these varieties. This would save on the cost of establishing additional *ex situ* facilities and would also facilitate tapping of R&D synergies in the region. In light of the above, the region should aim at establishing an IPR Data Bank, which should have two functions. In the first instance, the Gene Banks should develop detailed documentation of the accessions that they have made. Secondly, the Gene Banks should coordinate their activities with the IPR granting authorities in the countries of the respective regions so as to keep an account of the IPRs based on biodiversity and the related knowledge that have been taken. The information generated should be made publicly available through means such as internet in order to support all organizations engaged in the policy making in IPR and also in technology and product development.

Promoting Technical Work on IPM for Sustainability

In past few years, the twin agricultural problems which have received constant attention in developing countries are the rising cost of agricultural production and environmental pollution caused by agricultural inputs. Increase in pesticide use has been one of the major contributing factors in this regard. The global pesticide market is now estimated at \$ 38 billion, of which the Asia accounts for about \$ 7 billion. In this context, integrated pest management (IPM) has been a widely recognized alternative technique towards the development of an environmentally sustainable agriculture.

Biopesticides are being produced by a handful of private companies and, at present, it accounts for only three to four per cent of the global pesticide market. Experience of Cocoa producers from Indonesia is worth noting. The farming is concentrated on the island of Sulawesi where cocoa is mainly grown on plots of 1.5 hectares or less. The supply of cocoa beans to American chocolate manufacturers was valued at over \$140 million, and about 85 percent of them come from Sulawesi. In the year 2000, the infestation of the cocoa pod borer (CPB), a pest that has destroyed up to 40 percent of the Sulawesi crop, threatened the livelihood of the smallholder farmer. CPB infestation also reduced the quality of cocoa. However, timely access to techniques like IPM has helped farmers to retain their export share without compromising with the quality and environment.

Bridging the Digital Divide

The recent introduction of third-generation mobile technology in Asia has further raised the concerns about the widening digital divide as countries in South and

Southeast Asia are still struggling just to get a dial tone. In Bangladesh, there is one telephone line for every 100 people, while in India and Pakistan, the ratio is only a little better. Further, the access in wireless is still more limited. It is difficult to have high-speed communication in China, India and Indonesia. Some of these countries do not have the resources to get the equipment and develop the applications.

There is an urgent need in Asia for developing a regional information infrastructure for promoting e-commerce. This network may be called as Asian Information Network that could facilitate the marketing of goods and services, provide consumers with timely information and provide an additional means of building up the buyer-seller linkage. An update on weather conditions may also be extremely useful.

Encouraging Exchange of Experiences and Expertise

Community Food Banks

Some Asian institutions have developed this unique concept of community food banks (CFB) in rural areas. This may be followed by Asian countries in order to meet non-seasonal food shortages. M.S. Swaminathan Research Foundation, Chennai is the lead institution in this regard. The CFB can be started with the help of the local authorities at the village level, with initial food supplies coming as a grant or as a support for micro-credit programme. Later, such CFBs can be sustained through local purchases and from continued Government and international support for Food for Eco-development and Food for Nutrition programmes.

It is envisaged that the CFBs may also help in overcoming the problems like malnutrition and ensuring best practices for sustainable development. They may also be used to get access to good quality seeds.

Microfinance

In South Asia two important organizations Self Employed Women's Association (SEWA) and Grameen Bank have worked towards popularizing microfinance as an instrument by empowering community especially women in rural villages. It is important to link up any effort on community food bank with microfinance. A sharp focus would have to be on women as they share the larger burden of food insecurity. It is often observed that several women workers and producers are involved in production, trading and the service sector but they do not have access to financial services.

One of the key features of microfinance programme, as introduced by SEWA, is the prevalence of client friendly delivery systems, where clientele is made up of economically active low-income women. They also introduced doorstep banking and thus further expanded the range of economic activities. In several rural areas of Bangladesh, Grameen Bank has strengthened the microfinance programme by providing credit to small and marginal farmers for

marketing of their produce. One of the novel uses of this instrument would be to access high quality, high technology agricultural inputs.

Exploring New opportunities

Organics

The market for organics has recently expanded very fast. The United States is the largest single-country market for organic foods, with \$4.2 billion in sales for 1997. The organic food market in the EU is estimated to be worth \$4.5 billion. In Europe, Germany (\$1.6 billion), France (\$508 million), and the United Kingdom (\$445 million) have large organic retail sales. Consumer preference for organics is strong throughout the EU, with 20 per cent to 38 per cent regularly or occasionally purchasing organic foods. Retail price premiums in Europe vary between 10 per cent to 50 per cent above conventional products.

Asian regional cooperation may be explored to address challenges like standards which are too high and are creating unfair barrier to production and trade. In the region there is no local certification systems for organic products, and farmers have to depend on foreign certification agencies like IFOAM and SKAL. This is very expensive and is feasible for big holdings only.

Regional arrangements may reduce the cost of certification. Some regional agencies may also consider launching of regional eco labels to reduce the cost of certification. The pro-active stand by China in marketing green food as organic goods is a clear example of this.

New Traits in Crops through Biotechnology

In South Asian countries, the crop production is largely rain-fed which poses several challenges for the agriculture. So far biotechnology in food grains has also addressed development of a single trait only. This has mostly been herbicide and pesticide tolerance. Joint efforts may be made at the regional level to explore possibilities for introduction of multi gene new traits in plants and crops; for instance, addressing draught and salinity resistance. In this regard, private sector partnership may be explored at the regional level, resupporting the important role given to private sector in the strategies for realising the MDGs.

Recently, some companies like Garst Seeds, a subsidiary of Advanta, have developed maize hybrids, which can tolerate two different classes of chemical herbicides.

Concluding Remarks

The post Green Revolution agriculture production scenario seems to pose several challenges for food security in the Asian region. It is of importance that agricultural R&D plans prioritise investment on new technologies so as to rightly balance or rather supplement the traditional techniques with new technologies. In this regard, regional and sub-regional programmes will play a key role.

The regional efforts should help to expand the exports of smaller enterprises. Regional cooperation in this field may help in addressing the concerns among the developing countries such as marketing network of agriculture commodities like coffee, tea and other plantation crops. In this regard, the regional cooperation programmes would have to consider options like joint marketing strategies at the global level and taking over of marketing and distribution chains in the developed countries.

Parallel to this, some institutional restructuring on the lines of establishing commodity exchanges may also help in stabilising the commodity prices. The private commodity exchanges would also facilitate transactions among buyers and sellers and in providing flexibility in the management of large stocks of grains.

The idea of community participation in ensuring food security at regional and sub-regional level is an important dimension for cooperation. The proposal for establishing community food banks and its linkage with micro credit expansion programmes is an important proposal not only for ensuring food availability in adverse natural conditions, but also for ensuring livelihood in rural areas in normal conditions also.

Above all, the Asian countries also need to work towards ensuring their market access for agriculture commodities. The twin strategy as suggested should include addressing trade restricting measures such as NTBs and evolving joint marketing strategies for their products. The cooperation strategy may include areas such as inspection of imported products, specific treatment or processing of products, fixing of minimum allowable levels of pesticide residue, labelling and packaging requirements, good manufacturing practices etc. They may also consider joint participation at the agencies like Codex, etc. The success of networks like "Success Alliance" of cocoa producers from Indonesia for IPM may also be a way out to ensure food safety. Such network may help in addressing SPS measures by enabling communities to use new techniques. In this regard, new opportunities like organics become important.

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