

## **The Role of Market-Based Economic Development in Strengthening Food Security: Questions for e-Discussion**

We suggest that discussion be structured according to a number of broad headings. There is necessarily some overlap between these, and with issues addressed under other themes. Under each heading we suggest questions to consider, but these are intended to be more illustrative than exhaustive. Again there are substantial overlaps, and no doubt there will be other questions that come up. We look forward to a lively discussion!

Thurs 5<sup>th</sup> – Friday 6<sup>th</sup> June:

### **1 Smallholder Agriculture as a Driver for Growth?**

The discussion paper introduces the concepts of drivers and supporters of growth and argues that it is important for policy makers to grasp the distinctions between them (section 2.1.2). It also argues – controversially in the current climate of opinion – that smallholder agriculture still remains the most promising driver for growth and poverty reduction in the forum countries.

- 1.1 Is it helpful for policy-making to think of particular areas of economic activity in terms of growth drivers (those with the potential to provide an initial stimulus to economic growth) and supporters (essential if the initial impacts of growth are to be broadened and deepened, but unable of themselves to initiate growth processes)?
- 1.2 Does smallholder agriculture represent a credible driver of growth in the forum countries?
- 1.3 What can it achieve in low potential areas?
- 1.4 If it is not a credible driver of growth, what is its role in the future development of the forum countries?
- 1.5 If smallholder agriculture is a credible driver of growth, what is constraining its ability to perform this role at present, and how can these constraints be overcome? What should be the roles of different actors in addressing these constraints? In particular, what can and should be expected of Ministries of Agriculture?

Saturday 7<sup>th</sup> – Monday 9<sup>th</sup> June (summary only to be provided on Monday 9<sup>th</sup>):

### **2 Non-Agricultural Activity, Food Security and Poverty Reduction**

In this session we want to explore the strengths and weaknesses of strategies for growth, poverty reduction and food security that rely primarily on enhancing non-agricultural activity (industrial and mining activity, tourism, the assorted activities that come under the heading of the rural non-farm economy).

- 2.1 What are the most promising non-agricultural growth drivers within the forum countries?
- 2.2 Even if these succeed in stimulating GDP growth, can this be translated into rapid poverty reduction and, if so, how?
- 2.3 Is it reasonable for the forum countries to plan to rely on imports to meet their aggregate food needs? If so, without agricultural transformation in rural areas, can we expect purchasing power to be distributed widely enough to achieve food security goals at the household (and intra-household) level?
- 2.4 What is the role of the rural non-farm economy in the future development of the forum countries?

Tuesday 10<sup>th</sup> June:

### **3 Infrastructure and Social Sectors**

The discussion paper notes the poor state of transport systems and their associated infrastructure in the forum countries, but – some would argue – places insufficient emphasis on infrastructural development as a policy and investment priority. It also has relatively little to say on the role of social sectors such as health and education in future growth.

- 3.1 How high a priority should be given to infrastructural investment? What are the priorities within this?
- 3.2 Given that 1km of newly tarred road can cost US\$250,000, and roads also need maintenance, where should the money come from?
- 3.3 What should be the balance between investment in development of regional transport routes and in improving rural roads? How does this relate to opportunities for stimulating rural employment through more labour intensive infrastructural investments?
- 3.4 What should the paper have said about the contribution of social sectors to the future development of the forum countries? Over what time period can a developmental return from investments in these sectors be expected? How do these relate to the paper's emphasis on more market-based economic development?

Wednesday 11<sup>th</sup> June:

### **4 State Interventions to Secure National Food Availability**

The discussion paper claims (in section 4.3, page 39), that “that there is a case to be made for a degree of state intervention in staple food markets that goes beyond the minimal contingency stock to protect against delays in private importation”.

- 4.1 Can this claim be defended in the light of the poor record of past state interventions designed to secure national food availability?
- 4.2 Does the paper under-estimate the capacity of liberalised markets to reliably supply food (at both national and local levels) in the forum countries? How effective might private investment be in stabilising food prices over time? Does the answer depend on progress with regional trade liberalisation (as the paper suggests)?
- 4.3 Is the policy of only maintaining a minimal strategic grain reserve (the basic level of intervention considered by the paper) either politically feasible or socially acceptable? How about a policy of not maintaining any form of SGR at all?
- 4.4 Can “state failure” in SGR management be overcome within the forum countries and, if so, how? What, if any, is the role of donors in this?

Thursday 12<sup>th</sup> June:

## 5 Markets and Coordination

The discussion paper claims (in section 5, pages 41-42), that

“*Central coordination and investment to address market failures ....* is critical for rapid and widespread progress in smallholder food crop production, in urban and industrial development, and in the stabilization of food availability and prices. In each of these cases there are strong *a priori* reasons for only slow and narrow progress in poor and stagnant rural economies if the market is largely left to fend for itself, even if large investments are made in improved infrastructure and institutional development according to current conventional policy thinking. However, the historical record of central coordination and investment, despite many examples of dire failure, includes dramatic instances of success, albeit in more inherently favourable conditions than those faced in many parts of the Forum countries. On the other hand market development in poor rural economies, without some form of central coordination and risk bearing investment, has few, if any, significant success stories to its name. Given the serious governance issues facing many of the forum countries, one of the major challenges we now face is to develop new models for central coordination and risk bearing investment to kick start markets.”

- 5.1 How important is central coordination and investment for rapid and widespread progress in smallholder food crop production, in urban and industrial development, and in the stabilization of food availability and prices?
- 5.2 Are there examples of rapid and widespread progress in these areas in poor and stagnant economies that have relied on liberalised markets *without* some central coordination and investment (by state or other agencies)? What can the Forum countries learn from these examples, and from examples of failure or lack of progress?
- 5.3 What examples are there of rapid and widespread progress in these sectors in poor and stagnant economies *with* central coordination and investment (by state or other agencies)? What can the Forum countries learn from these examples, and from examples of failure?
- 5.4 How can coordination be improved without the old problems of patronage, political interference and inefficiency so often associated with state intervention?

Friday 13<sup>th</sup> June:

## 6 Emerging Issues and Questions