

**ACHIEVING THE 2020 VISION IN THE SHADOW
OF INTERNATIONAL TERRORISM**
2001 World Food Prize Laureate Address*

Per Pinstруп-Andersen**

The brutal terrorist attack on September 11 calls for two parallel campaigns. First, the ongoing campaign to identify and eradicate the organizations that sponsor international terrorism; and second, a campaign to eliminate poverty, hunger, malnutrition, and mismanagement of natural resources. Those are the issues that provide the perceived justification for fanatics such as bin Laden, and the many people who think like him, to do the kinds of things that they did to the free world in New York, Washington, and Pennsylvania on the 11th of September. No, the people who did that were not poor, but they got their justification from the extreme human misery and the large number of people who have nothing to lose — those who are willing to join in and provide the justification.

The 2020 Vision is a vision of a world which by year 2020 will be free of poverty, hunger, and malnutrition and of a world where management of natural resources will be done sustainably. Can we reach this? Yes, we can. Will we? Depends on what we do between now and then. It is in our hands; it's in the hands of the people who can make the decisions to make it happen. It is a matter of priority, not a matter of whether it can be done or not.

Let me give you a few statistics, to illustrate the problem we are facing. The incomes of the richest 1 percent of the world's population are equivalent to the incomes of the poorest 57 percent. The richest 1 percent has an income that exceeds the income of half of the rest of the population. And the relative income distribution is getting worse. In 1960, the average per capita income in industrialized nations was about nine times the average per capita income in Sub-Saharan Africa. Today it is 18 times greater. That is because incomes in industrialized countries have gone up, and incomes in Sub-Saharan Africa have gone down.

Poverty, hunger, and malnutrition are widespread. Twenty percent of the world's population is trying to make a living on less than \$1.00 per day. That corresponds to about 1.2 billion people. Eight hundred million people go to bed hungry; they do not know where the next meal is coming from. They are what we call "food insecure." A hundred and sixty-six million children are malnourished. They do not grow to their full potential.

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Now, just to put these numbers in perspective, the total population of the United States is about 280 million people. So we are talking about three times the total population of the United States being food insecure, going to bed hungry. Five to seven million children die every year from nutrition-related illnesses; deaths that could be avoided. I would argue, based on history and based on common sense, that no society, national, or international, can be stable with those kinds of inequalities and the widespread human suffering that exists.

So what does the future look like? Again, it depends on what we do. Projections are only as good as the action we assume will be taken. The most likely scenario, based on FAO's projections, is that we will be able to reduce the number of food-insecure people from 800 million to 600 million by year 2015. That is roughly half of what world leaders from more than 180 countries promised to do five years ago at the World Food Summit. The promise was, and the goal was set, that by year 2015 the number of malnourished people would be reduced by half, from 800 million to 400 million. In the best of cases, we are going to get halfway there. That is not nearly good enough. The most likely scenario for child malnutrition, based on IFPRI projections, is that the number of malnourished children will decrease from the current 166 million to about 135 million. That is a disgrace.

But there are viable alternatives to these most-likely scenarios. We have done a number of studies looking at what it would take to bring these numbers down faster. One scenario that we have looked at assumes a 40 percent increase in the annual investments in five key sectors — agriculture research, clean drinking water, primary education, rural roads, and irrigation. If developing countries would increase investments in those five sectors by 40 percent, the number of malnourished children would be reduced from the current 166 million to about 90 million over the next 20 years. That is a lot better than the most-likely scenario.

So the question is, how much are we willing to invest? Well, to put that in perspective, the annual investment that is needed to bring the number of malnourished children down to 90 million corresponds to less than 5 percent of the public expenditures in developing countries in 1997. It would be an even smaller percentage of public expenditures in the future. Seems to me that is not an excessive price to pay to have well-nourished children. Want to put it in a different perspective? What is needed in terms of annual investment corresponds to one week of global military expenditures — says something about where our priorities are.

Most of the action that is needed to attain sustainable food security and implicitly, therefore, the 2020 Vision is known. At least, we know enough to get going. What is different today is not so much the action itself, but that it has to be implemented in a new context. It has to be implemented within the context of a number of emerging forces or trends. At IFPRI, we have identified 10 such emerging

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trends. Let me cover six of these very briefly and talk about the action that is associated with each of them.

I refer you to IFPRI's book by the title of *The Unfinished Agenda*, which can be downloaded from our website <www.ifpri.org>.

Let me move to the six emerging forces. Those I want to talk about are: First, the globalization trends and the trade liberalization that is part of them; second, developments in science and technology; third, the rapidly worsening health crisis; fourth, conflicts and instability (and that, of course, relates very much to what I talked about before); fifth, the changing structure in farming and in food consumption; and sixth, the changing roles and responsibilities among the various stakeholders.

Let me turn now to globalization trends. Globalization is like a knife — it can be very useful to slice your bread, or it can kill people. So the argument that globalization is good or bad for poor people is not a very constructive argument. The question ought to be: How can we make globalization beneficial for poor people? Based on a number of IFPRI studies, I suggest that there are two general areas where action has to take place.

First, developing countries need to put in place policies and investments that will make the agricultural and other sectors competitive in a free-market economy. That means investments in infrastructure, investment in primary education and primary health care, appropriate technology for small farmers, and, depending on the country, it may mean other things.

The second area which we have to focus on in order for globalization to be beneficial for the poor is what I would call fairness in trade. But I do not want this to be misunderstood. It is really free trade with a human face. What it means is that we in the industrialized countries have to open up our markets for the products that developing countries can produce competitively on a level playing field, that is, without excessive support and subsidies or closure of our markets. We have a lot to do in this area, because, while we are arguing that developing countries need to open up their markets for our products — and in many cases they have done so; the Latin American countries have opened up their markets in a way that we have not seen in very many places for a long time — we ourselves, in Europe, North America and Japan, are not opening up our markets for some key commodities that developing countries could export to us at a price that is considerably lower than the cost of producing it in our countries.

I grew up on a farm, and I know it can be extremely difficult to adjust to new price signals in the market. The question is, can we turn the agricultural subsidies in Europe and the United States

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around in such a way that they are not doing damage to developing countries, so that we can open our markets without excessive harm to our own agriculture?

I want to raise one other thing related to globalization, and that is the food safety question. The Europeans, the Americans, and the Japanese are beginning to put excessive demands on imported food commodities, demands that developing countries cannot meet. Food safety regulations are now being used to keep commodities out of our markets, if it is not convenient for us to take those commodities at the particular time. We need to take a very close look at how we are using food safety regulations in the context of international trade. And I repeat, we cannot go to developing countries and tell them to open up their markets if we are unwilling to do that ourselves.

Let me give you another illustration. We have something called "escalating tariffs." That means, among other things, that the higher degree of processing a developing country puts on its agricultural commodities, the higher is the rate of import duty. So on the one hand we are giving development assistance to developing countries so they can improve their processing industries in rural areas, generate employment, and add value to agricultural commodities — that is good. Then we turn around and say, "But don't you dare send it to our countries, and if you do, we are going to slap a very high input tariff on it." That is bad. So we have somehow got to come to grips with what exactly are the signals we are sending, and how serious we are about leveling the playing field for poor people in developing countries.

With reference to international terrorism and other instability, two concerns come up. One, are we going to use this in Europe, North America, and Japan to say, "It is too risky to import your food, because it may have been tampered with, so maybe we would better become self-sufficient"? Many countries would pay dearly to become self-sufficient. So that is the one risk associated with the current situation.

The other risk is that other countries are going to say, "We do not want to import anything from the United States, particularly not if some food-related terrorism has been imposed on American food commodities." It hopefully will never get to that point. But if this current international climate is going to push people towards self-sufficiency in food, the economic losses will be tremendous. We have to keep trade open, and we have to make sure that it is fair and open and free.

Let me move to the second emerging force — developments in science and technology. Both the modern biological sciences and the modern information and communications technologies have a lot to offer poor people in developing countries. But the offers are not materializing at this point because most of the research is focused on solving problems that industrialized countries have. There is very

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little biotech available for developing countries that can be used by small farmers; the research has not been done.

One of the reasons it has not been done is that there is strong opposition in parts of Europe and parts of the United States and Japan that says, "Let us not use biotechnology or at least let us not use genetic engineering for food and agriculture." We do not need it in Europe. We can do without it. We are eating quite well. But they need it in developing countries, and we must not tell developing countries that just because we do not need it, they cannot have it either. That would be like a group of Africans getting together in a meeting concluding that the Europeans could not use genetic engineering to treat lung cancer because there is a better way — they can just stop smoking. We would not like that in Europe. We do not think it is any of their business. And they should feel the same way when we tell them they cannot have access to modern science.

If you want to know more along that line, I refer you to a new book on *Modern Biotechnology for Food and Agriculture in Developing Countries*. The book's bottom line is that those who take the consequences of the decision should have the choice to make the decision. If the West African farmer who is trying to feed her six children loses her corn crop every three or four years because of drought, and if she wants a drought-tolerant corn variety and if that is best developed using genetic engineering, would any of us tell her she cannot have it? Probably nobody in this room, but there are a lot of people outside this room who would say there are better ways. While we are figuring out what they are, the children are suffering.

Developing countries are currently underinvesting in agricultural research, whether it is based on molecular biology or based on traditional approaches. Developing countries invest less than half of one percent of the value of their agricultural output in agricultural research. That compares to about 2 percent in North America and the European Union.

Moving to the third emerging force: rapidly worsening health crises. The interaction between HIV/AIDS and food security is important. There are many interactions, and the causality goes in both directions. This is something that we cannot ignore, even though we may be focusing on the food side of the equation. I need not tell this audience how important the HIV/AIDS crisis is in Africa; you know that. What may be new is that we now have ways of dealing with HIV/AIDS and food security if we understand how they interact.

There are many other health issues that are taking on importance such as increased malaria and TB. And, again, they link very closely to food security in a number of ways.

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Conflict and instability — there is a very close link between conflict and food security at the local and at the national levels. We talked about international instability already; I need not emphasize that. We have done research in a number of countries of Africa to show how governments can help improve food security and reduce conflict by looking at the interaction between the two. Some of these things are obvious. Farmers are not going to plant crops on land that is already planted with land mines. Of course not — some things are clear and obvious. But there are other things that could benefit from better understanding of how to move ahead.

I want to say just a couple of words about the changing structures in farming and in consumption. On the average, the South Asian farmer has less than a football field of land to grow his/her crops on. Are these small farmers viable in the long run, say by year 2020? Probably not. Yet, we keep talking as though they are, at least some of us do. We are going to take a close look at that at IFPRI to see what is the most likely or the most desirable farming structure over the next 20 years. And what happens to these very small farms? Do they become part-time occupations, or do they become merged with neighboring farms? The reason I am bringing it up here is not that I have a lot to report to you on this but to draw your attention to the fact that, while we can keep talking about small farms, I think that over the next 20 years the definition of a small farm is going to change quite dramatically.

The other structural change I want to mention has to do with consumption. We are in the middle of a livestock revolution. We have worked very closely with ILRI and FAO on documenting the increasing demand for livestock commodities and what we think will happen over the next twenty years. There is going to be a dramatic increase in the demand for livestock commodities, particularly in rapidly growing developing countries, including those of Asia. There will also be a dramatic increase in the demand for processed foods and for sugar and sugary-type foods. Again, I cannot go into a lot of detail, but there is plenty of information on the IFPRI home page if you want to know more about these things.

The changing roles and responsibilities of the various actors. It used to be that governments in many countries had a monopoly on agricultural input and output markets — you wanted to buy fertilizers, you had to go to a parastatal to do so. The government decided how much fertilizer would come in, what the price would be, and when it would be delivered (sometimes too late). The parastatals did not work. They were not efficient and often not effective. They have been replaced by the private sector — that creates a completely new role for the government. There were people at one point in time who said, "Less government is better government. Let us get government out of all this." That turned out to be the wrong recipe. We need very strong government to do the kinds of things that only government can do. And that includes the creation of what we call "public goods," the goods that will not be produced by the private sector.

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We need standards, measurements, and enforcement of contracts. A whole set of issues around the market reform question that, unless the government does it, it would not get done, and, worse, the private sector would not work. We have done studies in about a dozen African studies that show that in most of those countries the market reforms have not worked to the extent that we had hoped. And part of the problem is that, in some cases, private monopolies have replaced state monopolies; in other cases, poor people in remote areas are not being served. So, governments have new roles. Investments in primary education, primary health care, infrastructure, clear public goods that only the government will do.

The private sector, of course, plays a much more important role now in developing countries than it did just ten years ago. And, again, one of the issues here is: What is it the private sector can do best, and what is best left for either the government or civil society, the nongovernmental organizations? One of the problems is that these groups are fighting among themselves. That is not helping poor people put food on their tables.

Related to the changing roles, one of the most serious reasons why we still have so many malnourished children and so many hungry people is that the political will is not present in developing countries to give these things the highest priority. Now, it is easy to say "lack of political will" — that is four words, and you have said it and now you can sit down and everybody agrees. The problem is that governments in many developing countries really do not put high priority on poverty eradication and on hunger eradication and on eradication of child malnutrition. And as long as they do not, it is very difficult for development assistance to have much of an impact, even if development assistance were there. We need much better governance. There is still a lot of corruption in many of the developing-country governments, and we need better governance in a number of other way.

Let me say a couple more words on the private sector. We need a private sector that is socially responsible. Of course we need NGOs that are socially responsible as well, and that brings back the debate of genetic engineering in Europe where some NGOs are not socially responsible. But we cannot expect the private sector to produce the kind of goods and services they cannot make money on. At least I am not going to invest my pension plan in such companies. So clearly we have to define what it is the private sector can do and is willing to do. We need a new set of institutions to make sure that each of these groups of actors do what they are best at.

The last point I want to make on changing roles and responsibilities has to do with the role of the United States, Europe, and Japan, in other words, the industrialized countries, not to forget, of course, Australia. We need to seek more engagement in the international community; we must not isolate ourselves. One of the potential risks associated with the terrorists' attack is that we build taller

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walls around ourselves, we try to become self-sufficient not only in food but also in other things. That would be a grave mistake. We need more rather than less engagement in the international community.

The United States is at the very bottom of the list of all the industrialized countries when it comes to development assistance measured in percent of the national income. The United States gives less than one-tenth of one percent of the national incomes in development assistance. Americans are willing to give a lot more development assistance, but that has not been communicated to the politicians.

Let me conclude simply by stating that we in the high-income part of the world society have a choice. We can either spend increasing amounts of money to protect ourselves — and we will not be as successful as we would like; we cannot really protect ourselves from all mad acts without taking away the kind of freedom that we want to keep — but that is one choice that we have. The other choice is that we spend the same amount of money on removing the root causes of international terrorism and other international and national instability, and that is what I have tried to outline today.

So, Mr. Chairman, we will continue to live under a cloud of fear if we do not remove the foundation that the fanatics think they have for continuing to attack us one way or the other. I thank you very much for your attention.