



**SUSTAINABLE FOOD SECURITY
FOR ALL BY 2020**
September 4-6, 2001 ! Bonn, Germany



SUMMARY NOTE

Panel Discussion: Governance and Food Security: Acting in the Public Interest?
Panelist: Tunku Abdul Aziz, Vice-Chairman, Transparency International
Title: The Impact of Corruption on Food Security

Madam Chairman, Ladies, and Gentlemen. My first duty, naturally, is to thank the organizers, the International Food Policy Research Institute, for their kind invitation to me to speak on a subject that is attracting a great deal of world attention. Corruption, which not so long ago was a taboo word, is now out in the public domain. It is very much part of the continuing debates on global public ethics and concerns about standards of behavior in the government sector as well as in international business transactions.

By way of reminding you how far we have come down the road in less than a decade when corruption was not talked about in "polite society," there is a story about James Wolfensohn's experience of a culture shock when he first went to the World Bank. He had become concerned about corruption in general, and the Bank's growing reputation of being part of the problem of corruption in borrowing countries, in particular. When he consulted his senior colleagues, their reaction was one of utter horror.

They advised him never to utter the dreaded word as that would upset the Bank's shareholders and clients in many parts of the Third World, many of whom were corrupt unelected leaders whose legitimacy to govern, in many cases, was derived from the barrel of a gun. If he really had to refer to corruption, he should call it the "C WORD." Fortunately for the rest of mankind, James Wolfensohn listens to his own counsel and conscience, and today we can fight the scourge openly and decisively, united in our conviction that we can all do something to control it. Eradicating corruption is for the dreamers to contemplate.

Introduction

The very first substantive point that I should make is that in viewing the problem of food security purely in economic terms, we are ignoring what is probably a more important part of the equation, namely, political governance that unfortunately has tended to receive scant attention. It is, therefore, a matter of great satisfaction to all of us concerned with the problem of food sufficiency to see that this conference has clearly recognized the role of governance in the overall scheme of things. Good governance, the antithesis of corruption, must be embraced and adopted wholeheartedly because it holds the key to food security on a sustained basis. For that matter, it is the key to our future that ought to be firmly grounded in fairness, equity and human dignity for all mankind.

Corruption, however it is defined, widens the already yawning gap between the rich and the poor in many of the countries represented here at this conference. It inhibits social and economic development, impacting negatively on attempts by international as well as regional development institutions, and others such as IFPRI, to fight hunger and famine coherently and systematically. It distorts market operations. It deprives ordinary citizens of the benefits that should accrue to them, such as freedom from hunger in an age of plenty.

At its most pervasive, corruption even compromises the sovereignty of nations. We saw such an example not so long when Australia sent its troops into Indonesian East Timor ostensibly to "save it for democracy" in spite of strong diplomatic objections by a helpless Indonesian Government that was so corrupt that it had to swallow its national pride and eat humble pie. Acquiescence or sayonara to IMF handout. This, of course, is an extreme example, but it just goes to show the insidious nature of corruption.

To go on, according to Transparency International, corruption substitutes "competitive" bribery for open competition. It retards private sector development and discourages investments. Whether in

the implementation of sustainable food programs or other projects, the destructive nature of corruption manifests itself in that: (i) decisions are taken not for public benefit, and (ii) high cost, complex and prestigious projects invariably favored over cost-efficient, community-based initiatives using appropriate technology. The consequences are predictable.

I have given you a rather long recital of some examples of the debilitating effects of unethical public behavior. However, I make no apology because I believe we need to be reminded constantly of the evil of corruption and the need to confront it systematically, and with a will, if we want to ensure the viability of programs to feed the hungry of the world. It is only by bringing corruption out in the public domain can we do something to contain it, and prepare the ground for a bountiful harvest for mankind in need of sustenance. That is the cherished hope of us all.

Food Security: A Conundrum

The Food and Agriculture Organization speaks of food security in terms of food that is available at all times, all persons should have the means of accessing it, it is nutritionally adequate in quantity, quality and variety, and it is acceptable within a given culture. The gap between what is ideal or desirable and what really happens in practice is wide, almost unbridgeable and looks set to continue unchanged. We must really make serious efforts to recognize the inherent problems of food security for what they really are, a combination of complex social, economic, cultural, legal, and political factors; perhaps conundrum, in my view, best describes the situation.

Years of chipping away at the edifice of human hunger, misery and degradation have done little to bring hope, comfort and sustenance to some 800 million people or one-eighth of humanity who, we are reliably told, "lack enough food to lead healthy and productive lives. It is obvious that food insecurity remains a global threat and human tragedy." By any measure, this is a miserable picture, and does not reflect well on the efforts that have gone into fighting hunger on which enormous sums of international public funds have been lavished.

So What Really Has Gone Wrong? An Argument for Strengthening Institutions

I find it extremely tempting to offer a glib "one pill cures all prescription", and heap the blame on corruption. Admittedly unethical public behavior of officials and politicians has a bearing on the slow pace of progress in the fight against poverty and hunger. I believe that it would be more useful from the standpoint of our ability to respond in a timely and effective manner if we understood the real causes of corruption in those food insecure-countries that are likely to have to live with the problem over the long haul.

We need to remind ourselves urgently that these are extremely poor, badly governed countries, in many cases, and they all share a common failure or deficiency, if you like, of not having the necessary resources to put in place properly functioning institutions. This leaves them highly vulnerable to corruption of one kind or another. They cannot be expected to develop and implement sound long-term agricultural policies, including land tenure and water management, against a background of institutional instability.

For countries themselves to contribute effectively to the planning and implementing process, there must be, as a minimum prerequisite, some semblance of good governance practice. An enabling environment, in this case, is an essential requirement for success. The experience of my organization in many parts of the world suggests that corruption thrives in societies where institutions of government are weak.

Weak government as well as business institutions may be likened to badly constructed load-bearing pillars of a house. They crumble easily under the weight. If we want a strong structure, we must pay more attention to the foundation on which the pillars are to go up to support it. As I have said, good institutions are nurseries for good governance. No initiative whether on food security or poverty alleviation or anything else for that matter will work in the absence of ethical public behavior as a result of poor governance culture.

I am a firm believer in the crucial role of the state in making things happen. Its ability to produce the desired results should not be underestimated. It is governments that at the end of the day set the moral and ethical tone and standards of public behavior. Their effectiveness, however, is only as strong as the institutions that underpin their planning and implementation capacity which must be based on serving the needs of the many and not the interests of the few.

Where a government is plagued by mindless bureaucratic rules, regulations and procedures, and a generally corrupt public service to boot, such as we see in many countries in the developing world, it is hardly surprising that the specter of starvation is once again casting its shadow on India, a country with "granaries so swollen with rice and wheat — 16 million tons of 'buffer stocks'...that the government is selling it at well below cost, to get rid of the surplus before it rots."¹

The Indian agricultural tragedy is replicated in much of the developing world. To put it bluntly, official corruption and incompetence distorts the development process — acts often bordering on the criminal. The grasping hands of corrupt officials are in evidence everywhere when we see much of the grain intended for the starving multitudes is traded on the open market for private gain.

For me, there is no explanation other than systemic corruption for the complete failure of the poverty alleviation and food security initiatives in Kashipur funded from 1977–1988 to the tune of 9 million British pounds from the International Fund for Agricultural Development. According to an independent report appearing in the British paper, *The Independent* of 31 August, 2001, and I quote, "The project has created a large number of contractors and suppliers who have made easy money without doing any work... No significant intervention in terms of increase in income and sustainable agricultural productivity has been achieved. There is no trace of a single sapling claimed to have been planted under the program."

On a recent visit to the area, journalist Rajaram Satapathy commented that payments were made for non-existent works, while roads were built from nowhere to nowhere." Meanwhile according to *The Independent*, the number of destitute families increased dramatically during the 10-year period covered by the funding initiative, and, today, even as we speak, many face death from starvation. This is not just an Indian story of corruption and mismanagement; it is a story that rings a bell in much of the Third World, and, in particular, Sub-Saharan Africa.

Perverse policies take a heavy toll on sustainable food security. Again, reverting to India because its examples are better documented than those of other food-insecure countries. India is also a functioning democracy with a fiercely independent press and scandals are a regular staple of the Indian media. A recent report, for example, pointed out that a mix of minimum support prices for wheat and rice coupled with an overly generous state subsidy for power and water supplies has resulted in an increase in the acreage under rice in the traditionally wheat growing areas in the Punjab.

On the face of it, there is no serious flaw in this arrangement, except that rice production of this order of magnitude, from 120,000 hectares in the 1960s to today's 6.5 million hectares, has affected Punjab's water tables. They are dropping rapidly, impacting negatively on the fertility of the soil.² The future of sustainable food production in India's food bowl is seriously at risk.

While there is no direct evidence of corruption in the decision making process in the case of the minimum support prices and other subsidies which have been factored into India's agricultural policies, we cannot be too careful. Just as in privatization, which unless carried out transparently and, therefore, accountably, state handouts have a tendency to be treated by unethical officials and politicians as an opportunity for bribery and corruption, sanctified by default, and abetted by an absence of checks and balances and an effective enforcement regime or mechanism.

The Issue?

The war to end starvation, ignorance, disease and poverty in food deficient countries cannot be waged in isolation, and must take fully into account their political, economic, social, and cultural development in order to establish whether or not appropriate conditions exist that will enable them to play a proactive role in shaping their own future.

Countries that are apparently incapable of providing sufficient food for their people will need to be helped with the restructuring of their economic, social and governance systems in order to bring them into the mainstream of regional and international best practice so that they may enjoy a higher degree of prosperity, better education, gainful employment, and freedom from hunger on a sustained basis.

¹ *The Independent*, London, "Starvation Has Returned To India," August 31, 2001.

² *The Economist*, "Grim Reapers: A Survey of India's Economy," June 2-8, 2001.

We need to remove, as soon as possible, the crutches that do nothing more than to induce in them a dependency syndrome. In their place development institutions must devise policies that will help countries keen to help themselves to develop and strengthen institutions that are needed for the practice of good governance, incorporating tough anti-corruption laws and enforcement.

We can do this by confronting the issues that matter — the central issues concerned with political, economic, and social justice and equity for all citizens. We cannot ever hope to lick hunger and starvation by tinkering round the edges of this complex problem of global proportions. The process calls for a brave new approach, on a scale never contemplated seriously before, involving a global coalition of major players including the active involvement of the aid-recipient countries themselves. There is only so much the international community can do. The rest is up to the food-insecure countries to chart their own course.

Concluding Remarks

Financial resources alone will come to naught if the most single element required for orderly transition (from a basket case scenario to a finely tuned engine of growth) is missing from the equation. That element is good governance required both in the management of the state as well as that of the business. Good governance, open, transparent and accountable, is the best antidote to counteract the cancer of corruption which has assumed a global aspect.

Corruption must be brought under control all over the world, and the poorer countries of the Third World especially can ill-afford to co-exist with it without being further dragged into the depths of untold human misery, starvation, disease, and degradation. They, and their people, have little choice in the matter. For their governments, public servants and politicians, integrity in national life, as someone whose name now escapes me once said, is no longer the luxury of the virtuous; it is a business necessity.

One last point I should like to make is that more studies on the impact of corruption should be undertaken to establish the extent of the damage done to the whole food security process. Currently there is very little authoritative material to assist decision makers in the area of food security.

Note: The views expressed in this summary note are those of the author and are not necessarily endorsed by or representative of IFPRI or of the cosponsoring or supporting organizations.