

Gender and hunger in the context of the recent crises: underlying factors

Marcela Villarreal¹

Introduction

Between 2007 and 2008, international food prices soared, causing a severe world crisis – known as the food price crisis. By mid 2008, prices reached a peak and quickly fell as a global financial and economic crisis took hold. As a result, the number of undernourished people in the world shot up to over a billion, or about one of every 6 persons. Food riots in more than 60 countries caused dozens of victims. With a yet incipient economic recovery, the number of people who are food insecure seems to have gone down to around 925 millions – still much higher than the figure before the crises.

Decades of neglect of rural areas and of the agricultural sector, in favour of industrialisation and the service economy, created the conditions not only for the food price crisis, but for the stubbornly high numbers of hungry people. Investment in agriculture declined consistently throughout the last 30 years – both domestic, international, and through official development assistance – and this, despite the fact that most of the world's achievements regarding the reduction of

¹ The author is indebted to Martha Osorio, as this paper draws heavily on a joint previous paper.

undernourishment were attained when investment in agriculture was high in national and international agendas.

As with every crisis, there were winners and losers. Long-standing low food prices have limited the possibilities of agriculture to be an effective pathway out of poverty. However when prices soared, only big producers and richer countries were able to increase production and reap the benefits of higher prices. Low-income countries and small producers were not able to increase production; in some instances, even decreased production substantially. Three groups suffered the consequences of the crisis disproportionately: the urban poor, the rural net food sellers and female-headed households in both urban and rural areas.

This paper begins by providing background to the food price crisis and the reasons for the sudden price hikes; it then looks into the underlying factors that led to its disastrous outcomes in terms of numbers of hungry and poor and in terms of gender; and it concludes with an analysis of who was able to benefit from the opportunity and who was left behind and suffered the consequences. It shows that gender inequalities in access to productive resources, in particular land, contributed to and intensified poor countries' vulnerability to a shock, such as the one created by soaring food prices. The paper concludes that in order for countries to honour their Millennium Development Goal 1 commitment (reducing hunger and poverty), they need to promote gender equality in access to productive resources.

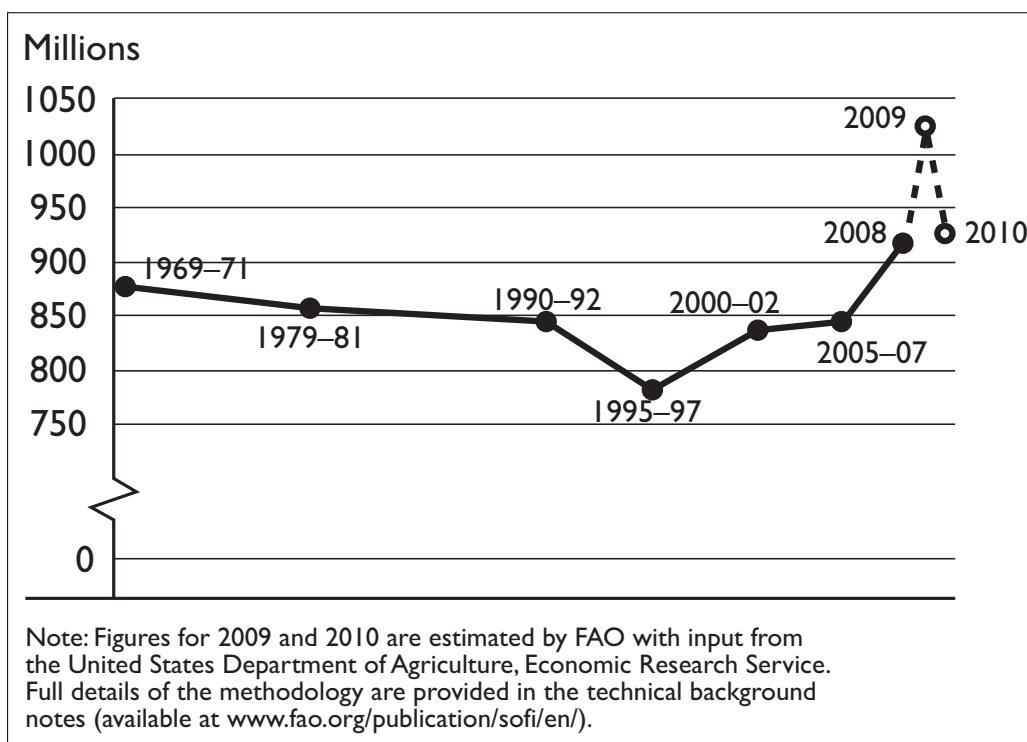
General overview

Background

In 1996, more than 180 world leaders attending the World Food Summit (WFS) committed to reducing the number of the world's hungry by one-half of the 1992 levels by 2015. Only a few years later, at the Millennium Development Summit, it was agreed to intensify efforts to halve the proportion of malnourished people by 2015.

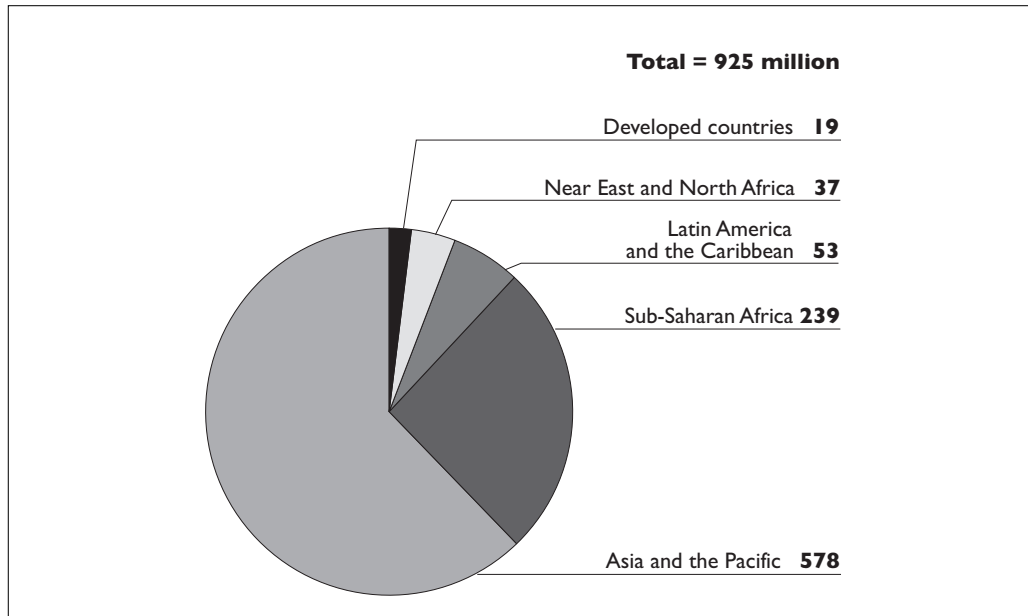
Instead of making progress towards the WFS target, in the years between 1990-92 and 2003-05, the situation actually deteriorated, as the number of the world's hungry rose by 6 million. In developing countries alone, the actual numbers of malnourished people actually rose by over nine million, in spite of the percentage of hungry people falling from 20 to 13% in the same period.

Graph 1: Evolution in number of hungry people in the world



Official FAO data for 2003-2005 show that before the sharp increase in food prices, 848 million people were malnourished, 98% of them in the developing countries. The vast majority of these people are concentrated in two regions, Asia and sub-Saharan Africa, as shown in Graph 2.

Graph 2: Where do the hungry live?



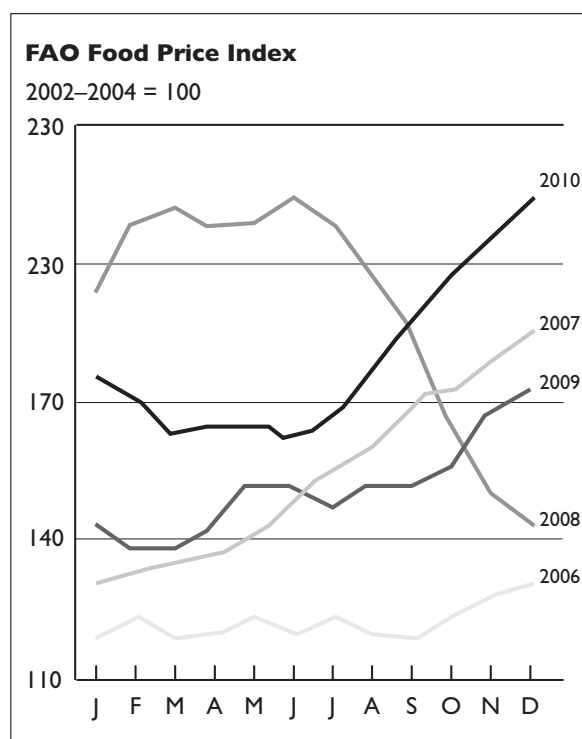
Source: FAO

Despite the world's commitments, development assistance to agriculture fell from 8 billion dollars (2004 basis) in 1984 to 3.4 billion dollars in 2004, a real-term reduction of 58%. In percentage terms, the proportion of public development assistance going to agriculture fell from 17% in 1982 to 3% in 2006. The resources for the activities that constitute the livelihood of 70% of the world's poor were drastically cut back in the budgets of international financial institutions (Diouf 2008). In historical terms, a reduction in hunger has always coincided with periods of investment in agriculture.

Food price rises

The prices of agricultural products rose steeply until mid-2008, after having remained very low for most of the previous two decades. Between 2005 and 2006, the FAO food price index rose by an average of 8%; then suddenly, between 2006 and 2007, it rose around 24%. From mid-2007 until mid-2008 the situation continued to worsen, with a 52% average increase. In the first half of 2008, the prices of certain staples continued to skyrocket; maize, for example, increased by more than 70% (FAO 2008a).

Graph 3: Food price index

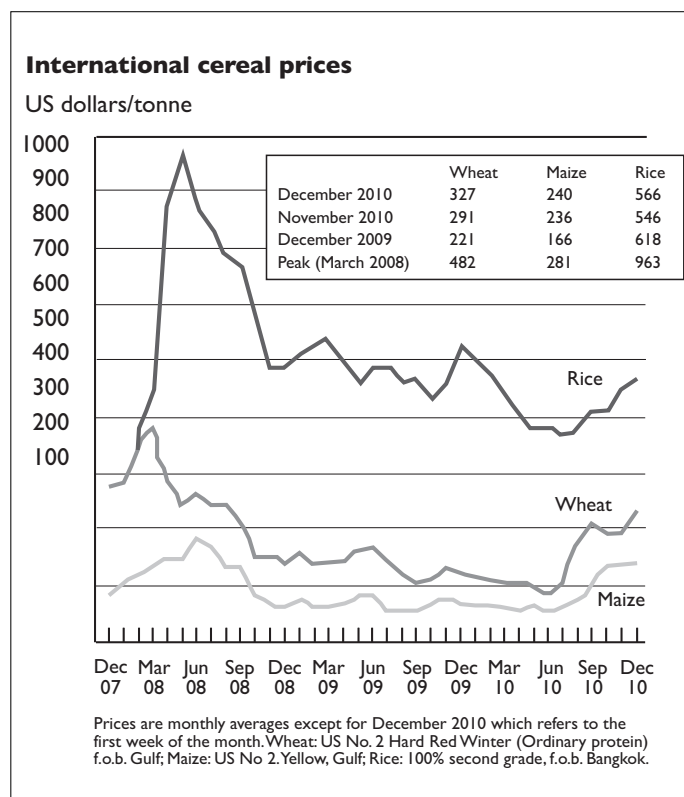


Source: FAO (January 2011)

Although agriculture markets are often highly volatile, and it is usual for them to go through periods of high and low prices, the inflationary process unleashed in 2005 was different from earlier situations in many respects. First, it was a general phenomenon affecting not a few, but most main food and fodder crops. From 2003 to early 2008, world maize and wheat prices more than doubled. Rice prices also soared to unprecedented levels, doubling in the first quarter of 2008. The prices of dairy products, meat, poultry, palm oil and manioc were just a few of the agricultural commodities whose prices increased significantly (von Braun 2008a). Second, the price volatility which accompanied the price increases was much greater and lasted longer than in the past, particularly cereals and oilseeds. This was partly a result of deep-seated and complex interrelationships between agriculture markets and other markets, and uncertainties about the future of agriculture (FAO 2008b). Third, even though there is great uncertainty about future food price levels, some analysts think that structural causes will continue to

bring pressure to bear on prices, making it quite unlikely that prices will ever return to the low levels that prevailed before the onset of the crisis. Although international prices began to fall in mid-2008, mainly due to the financial crisis and the price of oil, prices remained higher than they were in 2007 (FAO 2009a).

Graph 4: Prices will remain high even after their fall



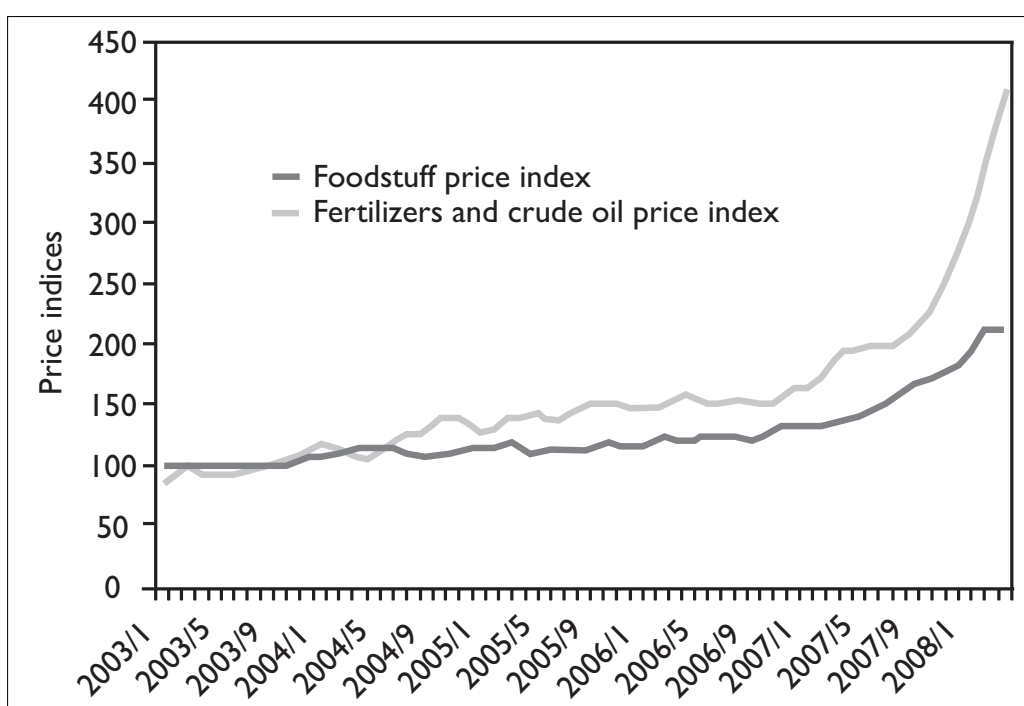
Reasons for the acute increase in food prices

Various complex forces drove food prices up. While some were purely contingent, others appear to have been more structural in nature. Prices increased on account of a combination of supply and demand factors, including:

Higher energy and fertiliser prices. The historically strong correlation between fuel prices and food prices attests to the dependency of agriculture on energy products. Production and transport are heavily fuel-intensive, while fertiliser production requires natural gas, petroleum or

coal. Variations in price of energy products are thus transmitted directly and indirectly to food prices (World Bank 2008a). In 1974, the sharp rise in oil prices led to a steep increase in the cost of oil-based agricultural inputs. At that time, fertiliser prices tracked crude oil prices and increased threefold, even fourfold in one year, with a massive impact on agriculture and livestock production and trade, and hence on food security (FAO 2000). In real terms, food prices in that period rose above the levels of 2008.

Graph 5: Input prices increase faster than food prices



Source: FAO

The demand for biofuels. The increased demand for biofuels had a major contribution in pushing up food prices because it reduced the food supply and competed with limited available land and water resources. Between 2000 and 2007, ethanol-based fuel production increased threefold², while biodiesel increased almost elevenfold, in response to an interest in reducing dependency on fossil fuels and

² Ethanol production accounts for 90% of all biodiesel output.

cutting greenhouse gas emissions. FAO reports that the larger area planted with maize in 2007 was at the expense of soybean and, to a lesser extent, wheat.

The biofuel and food markets are very closely related because many agricultural commodities, such as sugar, maize and oilseeds, are the key feedstocks for biofuel production (FAO 2009b). In 2007, maize sales increased by almost 40 million tonnes worldwide; of this, some 30 million tonnes were used for ethanol production – mainly in the United States, the world's largest ethanol producer and exporter. In 2008, over 30% of the US maize harvest was used for ethanol production, absorbing more than 12% of global maize output (FAO 2008a).

Although most would agree that biofuel production was one of the factors behind the soaring food prices, there is no consensus on its relative importance. At the height of the food crisis, some analysts attributed up to 75% of the pressure on prices to biofuels, while others claimed the impact was only marginal. It must be said that not all types of biofuels have an impact on food security. Negative effects on hunger are mainly attributed to first generation biofuels (above all, those that are maize-based) because they compete for the land where food is grown. Second-generation biofuels (jatropha-based, for example) can be grown on marginal lands and therefore minimise their repercussions on hunger.

The demand for biofuels is closely related to oil prices, because they are seen as alternative when petroleum prices rise. However, biofuels, particularly first generation production, also need oil (for inputs, transport, etc.), which seriously undermines their validity as an ecological alternative.

Slumps in production. Droughts and floods in the main exporting and producing countries in 2005 and 2006 led to declines in world cereal production of 4% in 2005 and 7% in 2006. Yields in Australia and Canada fell by about one-fifth. Two consecutive years of falling crop yields with low stocks created a highly unstable situation, which began to exert pressure on prices (FAO 2008c).

Stock levels. Instability of food supplies and price variability can be attenuated through adequate stock levels. From the mid-1990s to the onset of the crisis, stocks fell at an annual rate of 3.5%, and the ratio of stocks

to utilisation hit an all-time low level. The gradual reduction of stocks in China and the United States, particularly cereals, had a major impact on markets. Low stock levels contributed to greater price volatility on world markets, due to uncertainties created by large falls in output because of the drought and floods mentioned above.

Changes in the structure of demand. Economic growth and higher incomes in developing and emerging countries, coupled with demographic growth and urbanisation, are gradually changing the structure of food demand. The increases in food prices were also related to changes in consumption patterns, particularly in China and India, where more than 40% of the total world population live. Rapid economic growth in these two countries has raised consumer purchasing power, and has gradually shifted demand from grains and other staples to vegetables, fruit, meat and dairy products. Higher meat and dairy consumption is also increasing demand for fodder cereals. But according to FAO, these are gradual changes and do not appear to have been responsible for the food price hikes. Official FAO data show that cereal imports from China and India have been falling by an annual average of 4% from the beginning of the 1980s, which means that consumption requirements were met by domestic production, and that their influence on international markets could have been overstated, at least in the short term (FAO 2008c).

Other factors. Two additional factors influenced food price increases: speculation and policies adopted by numerous countries in response to food price increases. Speculation in the futures markets may have played a significant part in the price rise trend. Even though there is no certainty about the causal relationship between price increases and rising investment in the food futures markets, an IFPRI study shows that the large inflow of capital might partly explain the persistence of high prices and their increasing volatility (Robles, Torero and von Braun 2009). Finally, policy measures adopted by some countries, such as banning food exports to protect the domestic market, also helped push up international food prices³. The food price crisis showed that unilateral

³ Argentina, Bolivia, Cambodia, China, Egypt, Ethiopia, India, Indonesia, Kazakhstan, Mexico, Pakistan, Russia, Senegal, Tanzania, Thailand, Ukraine, Venezuela and Viet Nam (von Braun 2008b).

measures have the potential to worsen the global situation and that close links between different countries require a global and coordinated solution.

The impact of the food price increase from two viewpoints

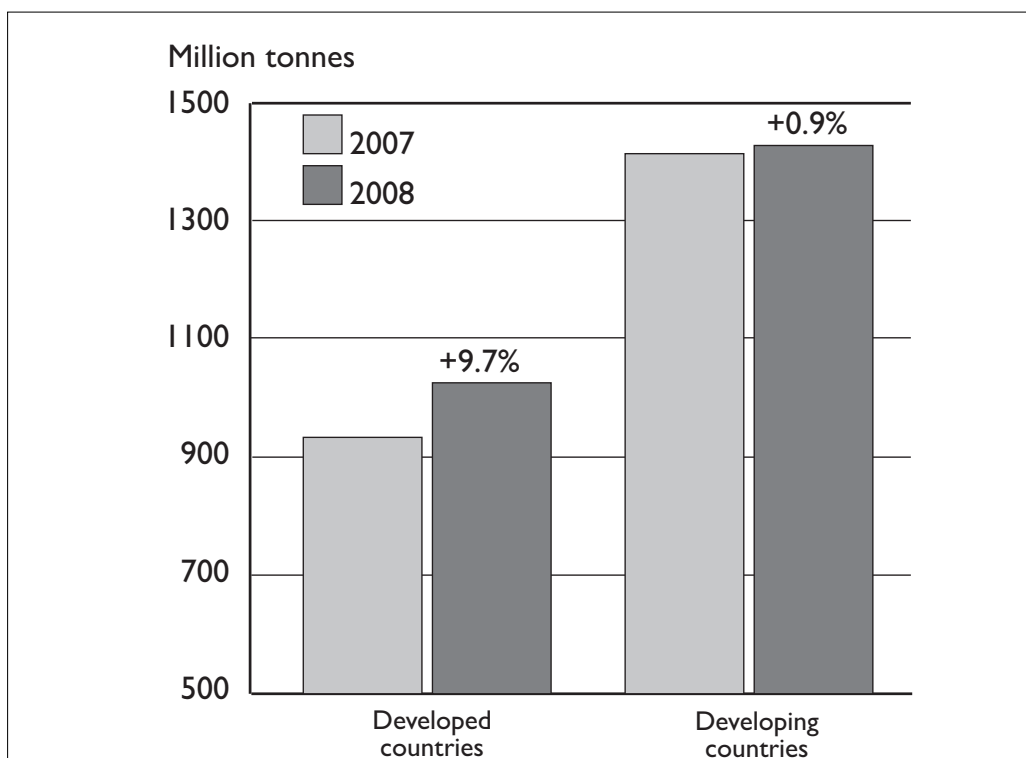
Food price increases were experienced all over the planet, but the consequences were not the same for every country, or even for different population groups within the same country. Some countries managed to benefit from the increase, while for others the result was to drift further away from reaching the Millennium Development Goals. At household level, there were also winners and losers, depending upon whether they were net food sellers or buyers.

Winners and losers on a country basis

The macroeconomic effect of price increases of food staples affected countries differently, depending on the one hand upon whether they are net food exporters or importers, and on the other hand on the composition of their international trade, their terms of trade and their exchange rate policies – among other things. The low-income, food-deficit countries were most affected, especially those where more than 30% of the population is chronically undernourished. These countries tend to be net food importers, and their exports are limited to a few commodities whose prices rose proportionately less than food prices.

FAO's statistics show that between 2007 and 2008, cereal production rose substantially in response to high prices. But the evidence also shows that this increase was due virtually entirely to the developed countries. While the industrial countries managed to increase cereal production by about 11%, developing countries only managed to do so by 0.9%. Moreover, if China, India and Brazil are excluded from this group, production in the rest of the developing world actually fell by 1.6% (Diouf 2009).

Graph 6: Supply response to high prices mainly in developed countries



Source: FAO

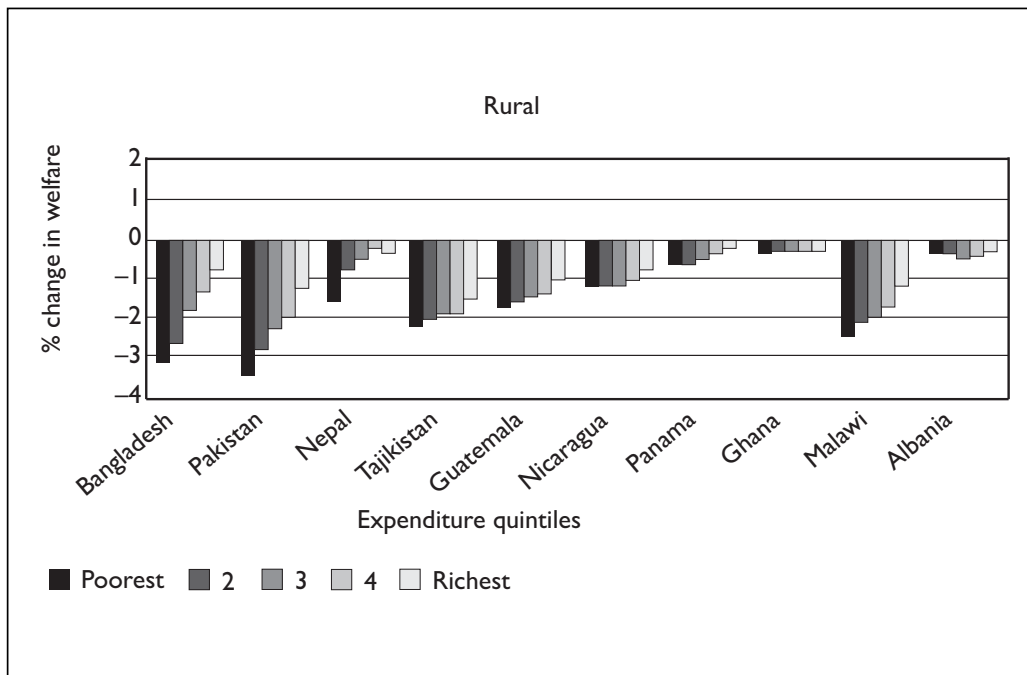
After more than two decades of low agricultural prices, which led to a steady disinvestment and a decline in agricultural productivity in developing countries, the rise in food prices was initially seen as an opportunity for the millions of subsistence farmers trapped in hunger and poverty. Unfortunately, it rapidly became clear that price increases were a “lost opportunity” for many developing countries and for most small producers, highlighting the structural causes of food insecurity and poverty in those countries.

View from the household perspective

If, at national level, low-income, food-deficit countries suffered the brunt of the impact of the food price crisis, at the household level it was the poorest households, in both urban and rural areas, as well as those headed by women, who suffered most. Poor households

typically spend between 50 and 70% of their family budgets on food (von Braun 2008c). A major reduction in disposable income of already vulnerable households may force them to sell their assets, thus reducing their basic means of subsistence, reducing the number and variety of meals, or cutting their expenditure on education and health. Any one of these can affect their welfare and increase their long-term food insecurity.

Graph 7: The poor are hit the hardest by an increase in the price of food staples



Source: FAO

Differences in the market status of poor households, in terms of whether they are net food buyers or sellers, their composition and their survival strategies also condition how they are affected by increased prices⁴. A better understanding of who were the winners and the losers is essential for sound policy and programmes.

⁴ A household is a net food buyer when the value of staples it produces is less than the value of the food it consumes.

Comparative analyses of several developing countries have shown that poor households tend to be net food buyers, and this is true even of rural households who depend on agriculture for their subsistence. According to FAO figures, 74% of rural households and 96% of urban households, in nine developing countries from different regions, are net food buyers⁵. When food prices rise, it is these households that will be most seriously affected. The magnitude of this effect will depend on household characteristics, their consumption patterns, the proportion of their income devoted to food, their ability to replace higher-cost foods with cheaper items, their ability to react by generating alternative income, their level of savings and the make-up of their capital assets. Some IFPRI surveys have shown that changes in the diet, which are often forced on poor households in times of crisis, have hugely negative repercussions on nutrition levels (particularly for expectant mothers and infants) and that the effects can damage their future development. Analyses of the impacts of previous crises have shown that when the households are forced to change their consumption patterns, to eat less food or to reduce the number of meals every day, the women and girls are the ones who tend to suffer the most.

While net food buyers are the most affected, households that are net food sellers do not necessarily benefit from higher food prices. The impact will depend on what they produce, the variations in prices of those items, increased production costs, their capacity to increase production, their level of integration into the markets and so forth. Two elements deserve particular attention when examining the impact of food prices on small rural producers: first, it is important to see whether the increases in international prices are actually passed on to producers; second, where the price increases have actually been passed on to them, one must determine whether this has produced profits (or at least the avoidance of losses) and acted as an incentive to invest and produce more.

⁵ The analyses are based on nationally representative household surveys conducted in Albania, Bangladesh, Guatemala, Malawi, Nicaragua, Pakistan, Tajikistan and Viet Nam.

Table 1: Percentage of net food buyer households

	All households			Poor households		
	Urban	Rural	All	Urban	Rural	All
Bangladesh, 2000	95,9	72,0	76,8	95,5	83,4	84,2
Pakistan, 2001	97,9	78,5	84,1	96,4	83,1	85,4
Viet Nam, 1998	91,1	32,1	46,3	100,0	40,6	41,2
Guatemala, 2000	97,5	86,4	91,2	98,3	82,2	83,1
Ghana, 1998	92,0	72,0	79,3	*	69,1	*
Malawi, 2004	96,6	92,8	93,3	99,0	94,8	95,0
Nicaragua, 2001	97,9	78,5	90,4	93,8	73,0	79,0
Tajikistan, 2003	99,4	87,0	91,2	97,1	76,6	81,4
Albania, 2005	99,1	67,6	82,9	*	*	*
Average	96,4	74,1	81,7	97,2	87,9	78,5

Source: FAO RIGA

Available evidence from developing countries has amply demonstrated that small producers participate very little in markets and do not have efficient marketing channels. They tend to use informal channels, with poor infrastructure and poorly integrated systems of communication and information. Since agricultural production costs, in particular inputs, rose much faster than food prices, millions of small producers were unable to exploit the potential benefits of higher prices and many of these could not even buy the most basic inputs, such as seed and fertiliser.

A number of case studies appear to confirm that the only households who were able to benefit from food price increases were land-owning households who derive more than 75% of their income from agriculture (defined as “agricultural specialists”) and who fall within the higher income quintiles. In Bangladesh, such agricultural specialists, who make up approximately 10% of the rural sample, experienced an average improvement in their well-being of 1.7% (1.3% for the lower quintile, 1.8% for the higher quintile). In Viet Nam, those benefiting the most were also the wealthier agricultural specialists, whose well-being improved by approximately 2.2-2.3%. In this case, the agricultural specialists constitute a larger proportion of the rural population, probably due to more equitable land distribution (FAO 2008c).

Various case studies have shown that smallholder production is fairly inelastic when there are higher price incentives and that this poor capacity of response is the result of structural factors that hamper production. Among the contributory factors is their poor technical capacity, a lack of organisation between producers, shortage of capital, limited access to resources and production services, such as land, credit, extension services, inputs, technological innovations and marketing and distribution channels. These constraints are greater among women, due to a set of social and cultural norms that do not acknowledge their role as producers, and because of discrimination. A joint study by the FAO, IFAD and the ILO found that 90% of wage differences between men and women employed in the rural areas could not be attributed to any human capital dimension (2011).

The gender dimension and the impact of high food prices

Good development policies and interventions require an understanding of their differential impact on men and on women. FAO evidence shows that female-headed households were more affected by the food price crisis than were male-headed households, regardless of level of education and of residence in urban or rural areas. This was true in all countries, even in those where female-headed households are not over-represented among the poorest.

As shown in table 2, in some countries, households headed by women are much more likely to be poor than those headed by men, whereas in other countries the opposite is true. This means that households headed by women are not necessarily overrepresented in poor populations. This is consistent with other surveys, showing that poverty differences between men and women heads of households cannot always be taken as given: there is no conclusive evidence that poverty is always concentrated in households headed by women (see for example the studies by de Haan and Lipton 1997; Quisumbing, Haddad and Peña 1995; Blackden and Bhanu 1999).

Regarding the impacts of food prices, the evidence is unambiguous. As shown in the last column in the table, female-headed households suffered proportionately greater losses in welfare (or proportionately smaller improvements) than households headed by men with a 10% increase in food prices (FAO 2008a). This was true at all levels – national, urban and rural – except in a few cases in which

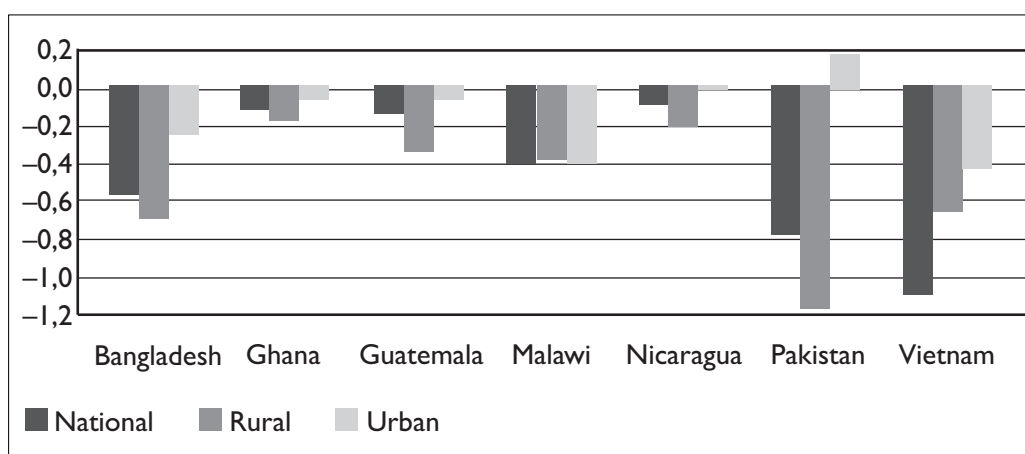
no discernible difference could be identified. There are various reasons for the incremental effect on female-headed households. Data from around the world shows that under equal conditions, women heads of household tend to spend a greater proportion of their income on food than men heads of households⁶.

Table 2: Gender bias in poverty and welfare effects of staple food price increases

Country/Year	Urban			Rural			National		
	Share FHH (%)	Over-represented among poor†	Welfare losses higher§	Share FHH (%)	Over-represented	Welfare losses higher§	Share FHH (%)	Over-represented	Welfare losses higher§ among poor†
Ghana 1998	32.8	FHH	—	24.9	MHH	FHH	27.5	MHH	FHH
Madagascar 1993	20.8	FHH	FHH	13.2	FHH	—	14.6	FHH	FHH
Guatemala 2000	18.8	MHH	—	11.9	MHH	—	14.5	MHH	—
Nicaragua 2001	33.3	MHH	FHH	18.1	—	FHH	27	MHH	FHH
Bangladesh 2000	7.7	—	—	5.9	MHH	FHH	7.6	MHH	FHH
Pakistan 2001	6.3	MHH	—	6.7	MHH	FHH	6.6	MHH	FHH
Viet Nam 1998	37.8	—	FHH	16.9	MHH	FHH	21.6	MHH	FHH

⁶ For example, there is a great deal of evidence showing that a higher income under the control of women leads to higher levels of health and nutrition on the part of the household members. Similar conclusions have also emerged when examining the differences between the ways in which women and men heads of household use their income (see Ruiz-Arranz *et al.* 2002).

Graph 8: Female-headed households are hit harder by high food prices



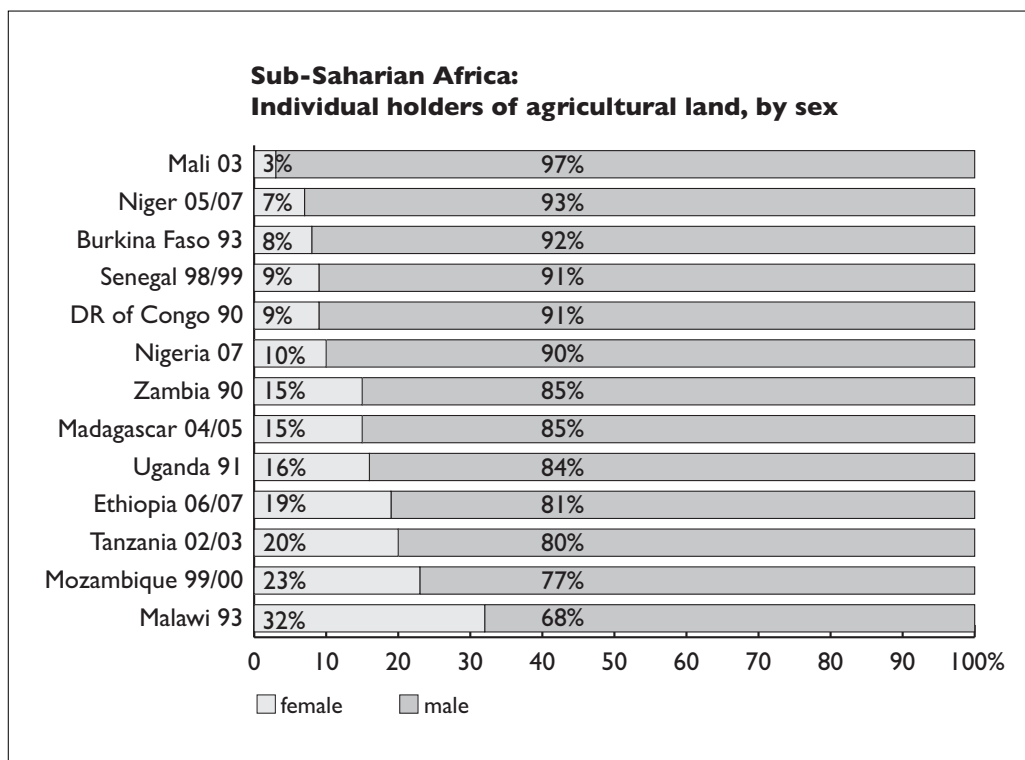
Note: The graph shows the differential change in welfare between FHH (female-headed households) and MHH (male-headed households) with a 10% increase in food prices. Source: FAO

In rural areas, the higher impact of food prices on households headed by women is also related to the greater difficulties that women face in performing their production activities and generating income, as well as a systematic lower access to and ownership of productive resources, which limits their ability to increase production in case of a price increase. Moreover, the literature consistently shows that in a number of countries, women heads of household produce more for household consumption than men (World Bank 2008b). These characteristics also place greater restrictions on the response capacity of households headed by women than those headed by men⁷.

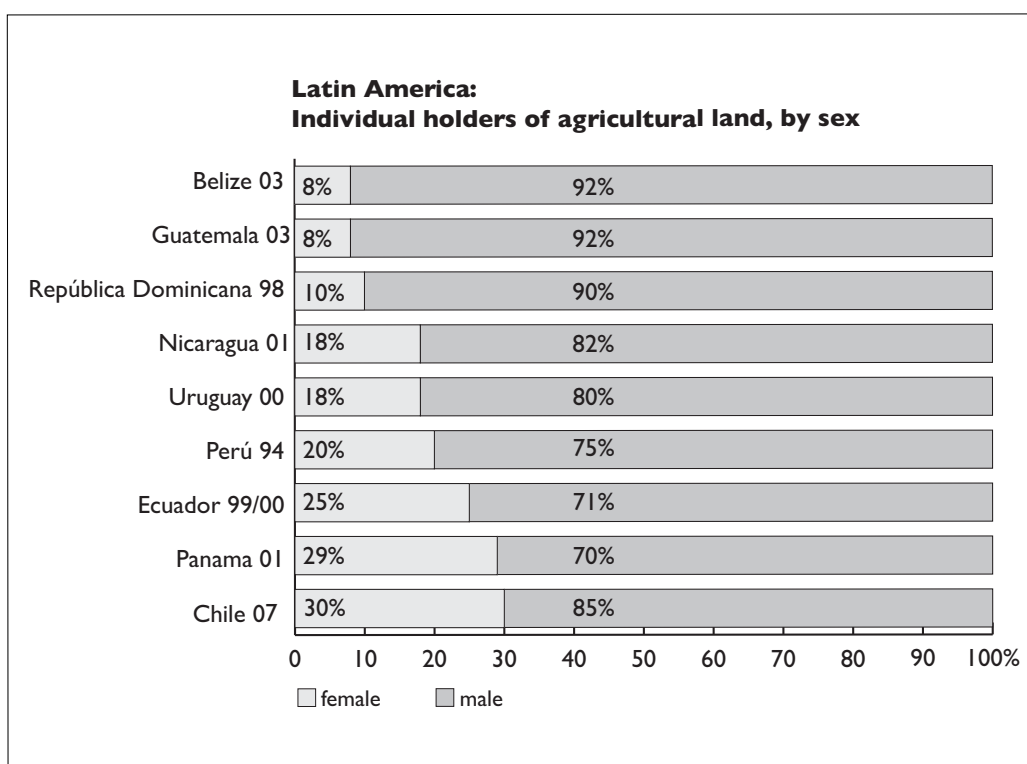
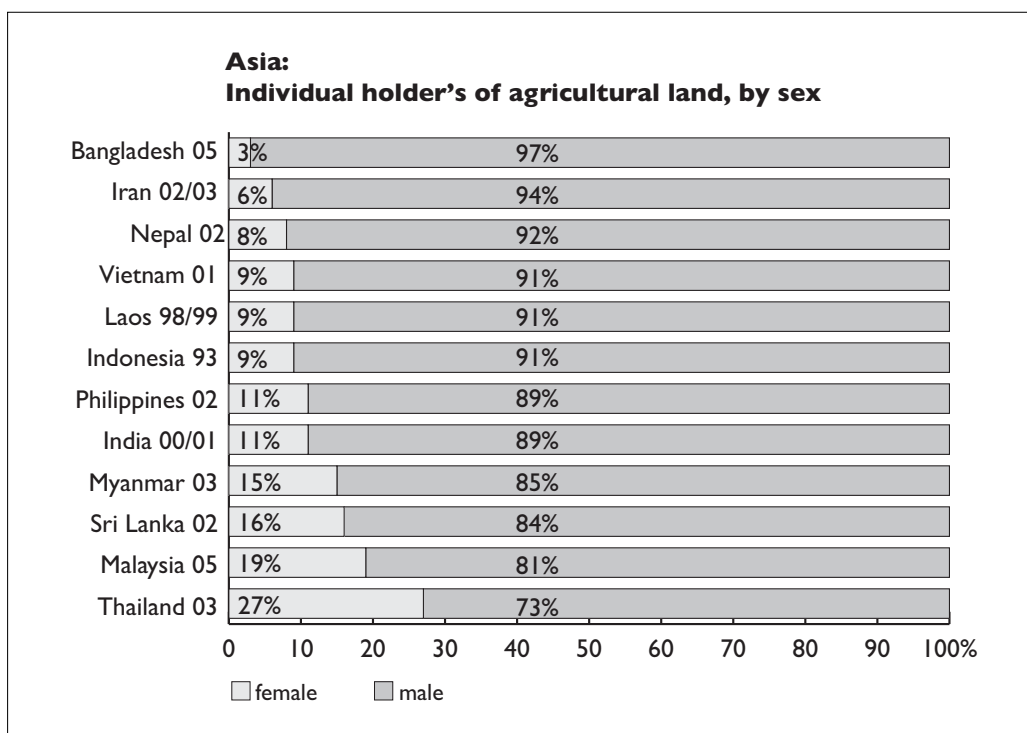
Access to assets, especially land, conditions the capacity of households to react to price increases. Although women play an essential part in food production and food security, they are strongly discriminated against when it comes to access to, and control of, land. Recent FAO surveys based on land tenure statistics from agricultural censuses show that in most countries, women suffer from severe discrimination in terms of land access and that this applies to every region and most countries, even in industrialised countries.

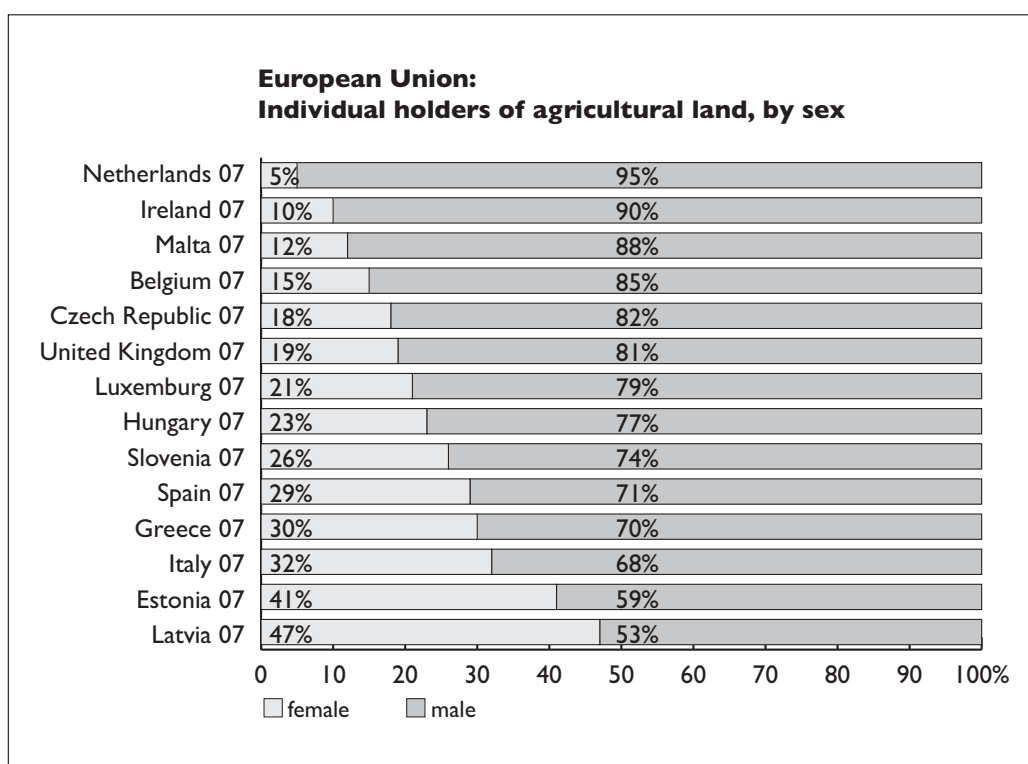
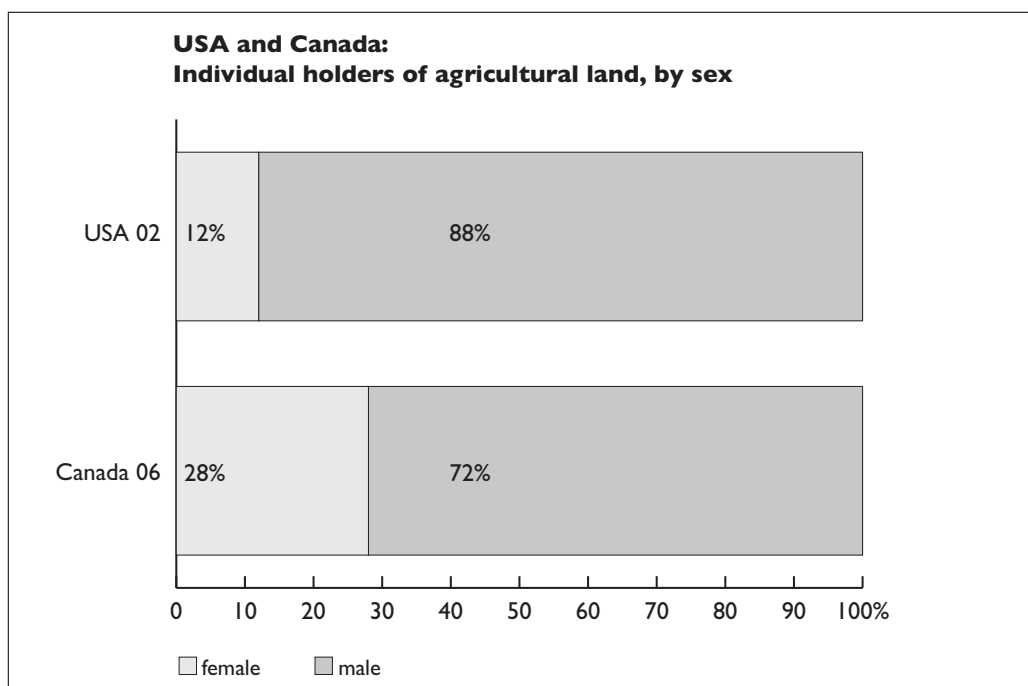
⁷ The same applies at the individual level, that is to say, the obstacles facing women are greater than those facing men.

Graph 9: Land tenure by gender in selected countries of Latin America, Africa Asia, Europe



Various case studies also show that women own less land holdings, and that the holdings they own are smaller in size and of poorer quality. Limited access to other resources (water, fertilisers and tools, credit and microcredit, or other services, such as extension and information) are further factors that hold women back in their attempts to respond to price increases, and have a negative impact on women's productivity. For example, women only benefit from about 5% of extension services provided worldwide. It is estimated that African women receive less than 10% of the credit provided to smallholders, and barely 1% of the credit granted to the agriculture sector (IFAD 2003).





Source: FAO, Gender and land rights data base

Gender imbalances in access to resources have persisted throughout history. Women's lack of access to land was one of the factors which explains their disproportionate suffering as a consequence of the crisis, as the loss of welfare of their households translated into increased hunger levels. The food price crisis demonstrated how gender inequalities are linked to society's increased vulnerability to shocks. If countries are serious about reaching their goals of reduction of poverty and hunger, that is MDG 1, they need to be equally serious about reducing gender inequality in access to productive resources.

The financial crisis and global hunger

When international food prices began to fall in mid 2008, the world's attention was gripped by the news of an impending new crisis. The collapse of the sub-prime mortgage market in the United States of America in 2007 rapidly gave rise to a global financial crisis. Its effects on the real economy, firstly in developed countries and then in the developing world, began to emerge clearly in the final quarter of 2008, despite measures adopted by governments and private multilateral organisations.

The effects of the financial crisis were transmitted swiftly, through strong links between every country and region of the world, and between different sectors and components of the global economy. Due to the increasing inter-connectedness of the world, the developing economies are more vulnerable to external shocks of this sort than they were 20 years ago.

Although the financial crisis and the food crisis had different causes, those causes were interrelated and influenced each other. For example, research has shown that because of the volatility of global finances caused by the sub-prime crisis, speculators redirected their portfolios to the food commodity futures markets, thereby increasing the pressure that was already driving food prices upwards (UNCTAD 2009). On the other hand, inflation and macroeconomic imbalances, caused by higher food prices, led numerous governments to adopt financial and monetary policies to stave off the effects of the crisis (von Braun 2008c)⁸. In the

⁸ According to IFPRI, the price increases was responsible to a large extent for the general rate of inflation between 2007 and 2008; in 27 of the 31 countries with a large malnourished population the average food-related inflation rate was significantly higher than the average general inflation rate.

same way, the financial and economic crisis appears to have made a major contribution to the rapid fall in international food prices from May 2008 onwards, which, while helping food importing countries, had a negative impact on food exporting countries. Coupled with increasing credit restrictions and slower economic activity, this situation could be a disincentive to future investment by agricultural producers, creating ideal conditions for a new food crisis.

The impact of the economic and financial crisis on food security from the point of view of households

The financial and economic crisis is spreading rapidly throughout the developing world. One of the main ways in which the decline in economic activity is being passed on to households is through a contraction of the labour market. ILO estimates that as a result of the crisis, at least 50 million more people in the world will be unemployed. An increase in unemployment has different repercussions according to social, economic, demographic characteristics (gender of household head, size of the household, number of dependents and working members of the household, employment sectors, etc.). For example, members of the poorest households are usually the ones most seriously affected because they are concentrated in the informal sector, which means that they are not only poorly paid but they also lack any guarantees of social protection. This situation is particularly risky in the case of households with only a few, or indeed only one, economically active members (Kacef 2009). Within these groups, poor women in general, and households headed by women in particular, are in an extremely fragile situation because they are overrepresented in irregular or casual poor quality employment (ILO 2003; 2008). This vulnerability is further heightened by the fact that some of the sectors that have employed high percentages of women workers in the past few decades, such as export-oriented industries (textiles, garments, agri-food, flowers and fruit) have been particularly affected by the crisis (see table 12).

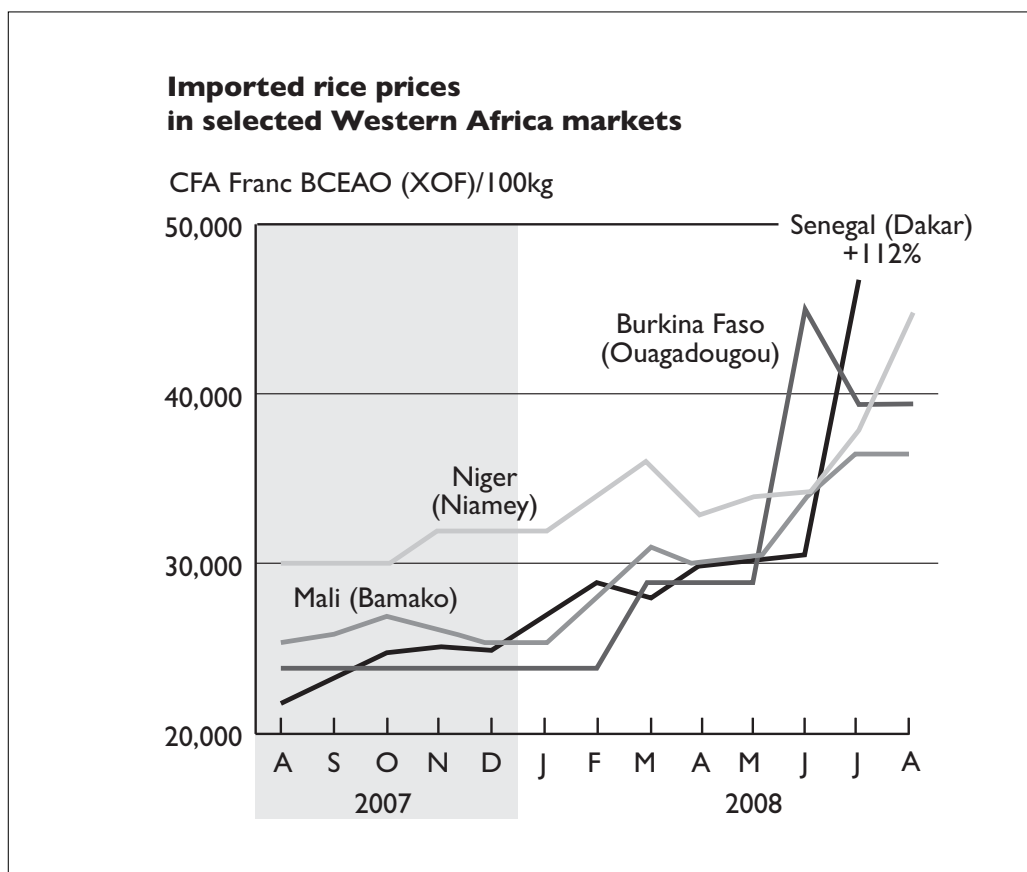
Table 3: Women's participation in export-oriented sectors struck by the global economic crisis

Export-oriented manufactures		
Country	Sector	% of Female Labour
Malaysia	Textiles	78%
Bangladesh	Textiles	85%
Philippines	Electronics	more than 50%
High-value export agriculture products		
Country	Sector	% of Female Labour
Uganda	Flowers	85%
Ecuador	Flowers	70%
Thailand	Fruits	80%

Source: World Bank (2008a)

In the floriculture sector, for example, 85% of the workers on flower farms in the United Republic of Tanzania are casual workers taken on mainly for sowing, harvesting grading. [...] In Uganda, an average of 85% of the commercial flower producers are women, and almost all are casual labourers. [...] In Kenya, [...] almost 70% of the 12 000 workers on flower farms are women and about 85% of these are casual workers [...]. The same patterns also exist in Latin American horticulture industries. For example, in Chile more than 85% of people employed in flower-growing are temporary workers and over 50% are women (ILO 2003, 15).

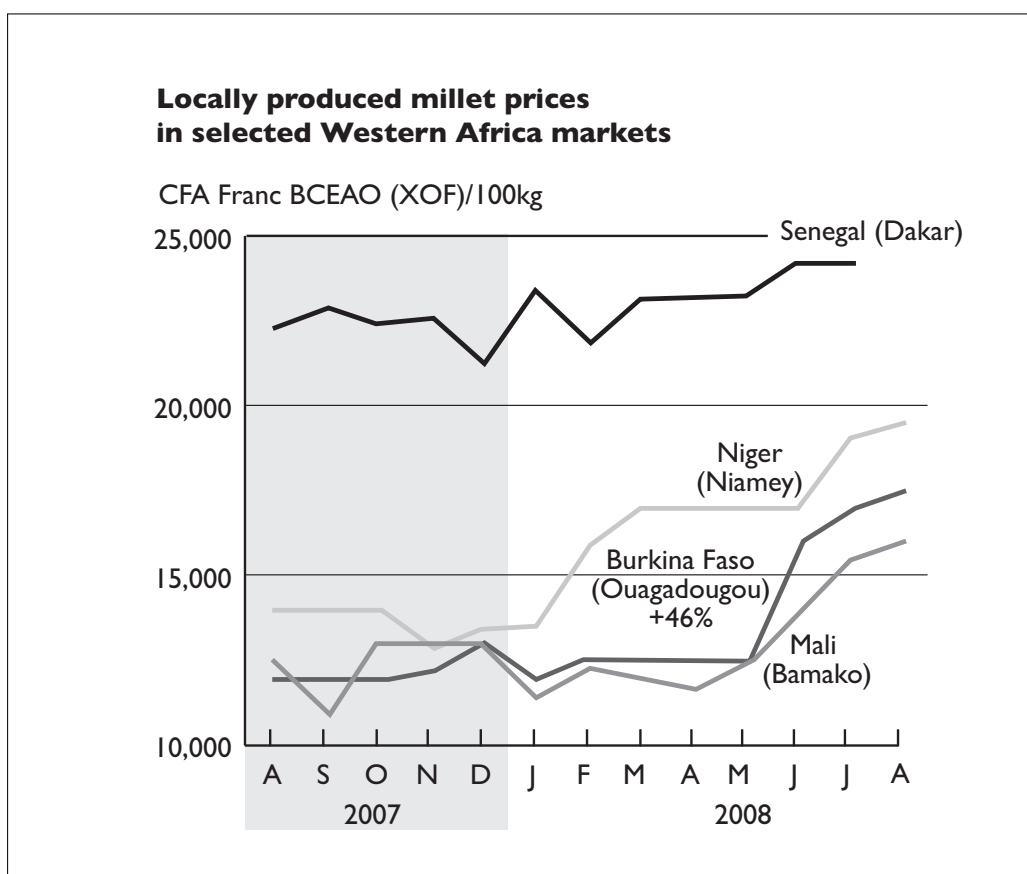
The loss of jobs directly affects the welfare of households by reducing disposable incomes at a time when households are suffering from the compounded effects of the financial and food price crises. High food prices created significant welfare losses for millions of poor households, and despite the decline in international prices from the record levels reached in May 2008, food prices in many developing countries remained high. In many cases, domestic prices remained high or declined less than international market prices (FAO 2009c). According to FAO (2009a), domestic food prices in April 2009 were on average 24% higher, in real terms, than two years earlier (see graph 13).

Graph 10a: Food prices still high in domestic markets

Source: FAO

The poorest households, which devote a high percentage of their income on food, have not yet been able to regain the purchasing power they had before the food price crisis, and are thus in a particularly vulnerable position to deal with any additional external shock.

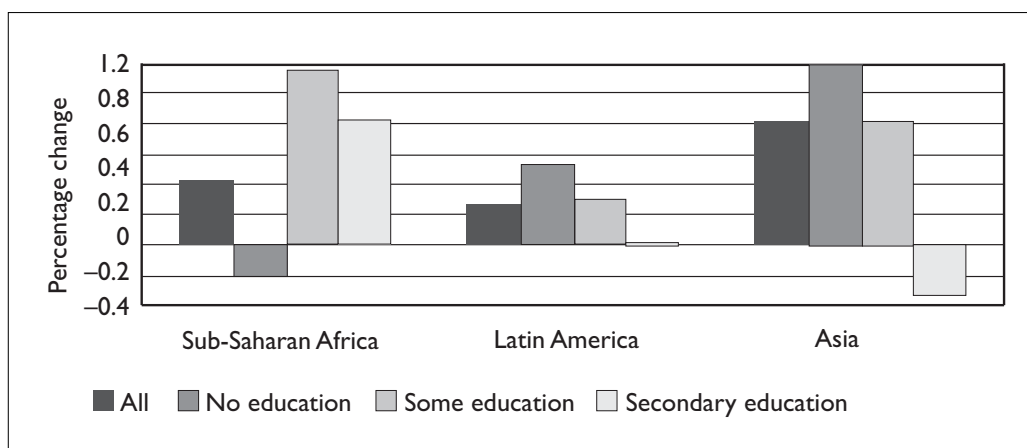
In this context, it is highly likely that the households that were worst hit by food price increases, and who depend on the market to meet their basic needs, such as landless households, the urban poor and households headed by women, will be those suffering most from the effects of the financial and economic crisis. These populations have little (or no) margin to protect themselves, and their ability to adapt is extremely limited because they have no savings, no assets, no insurance, no unemployment benefits and very often not enough food.

Graph 10b: Food prices still high in domestic markets

Source: FAO

When households are faced with a decline in disposable income as a result of job loss and/or reduction in wage, falling remittances and high food prices, they will look for new options to try to offset income loss, in a context where employment options are limited and where precarious employment will probably grow worse. Evidence from other crises has shown that women's participation in the labour market tends to increase, particularly in the lowest quintiles where women have lower educational levels.

Graph 11: Increase in female labour force participation rates, by education level, as a result of a 10-percent decline in GDP per capita



A study of the effects of Chile's economic crisis in the early 1980s on the domestic labour market showed that in all three socio-economic groups (destitute, poor and non-poor), women significantly increased their participation in the labour force during the crisis. The highest increase was among the extremely poor women. In the year following the crisis, the non-poor and poor women had remained in the labour force, but the extremely poor women strongly reduced their participation. This can be explained by the greater difficulties of poorer women to find jobs as well as the greater difficulties to reconcile their reproductive activities with wage labour. Therefore, once the crisis has passed, many leave the labour market, probably to devote themselves to their children whom they have had to neglect because of the economic emergency (Pollack 1992). Other surveys show that during the 1994 crisis in Mexico, child mortality rates rose very steeply in areas where women's employment increased (FAO 2009d).

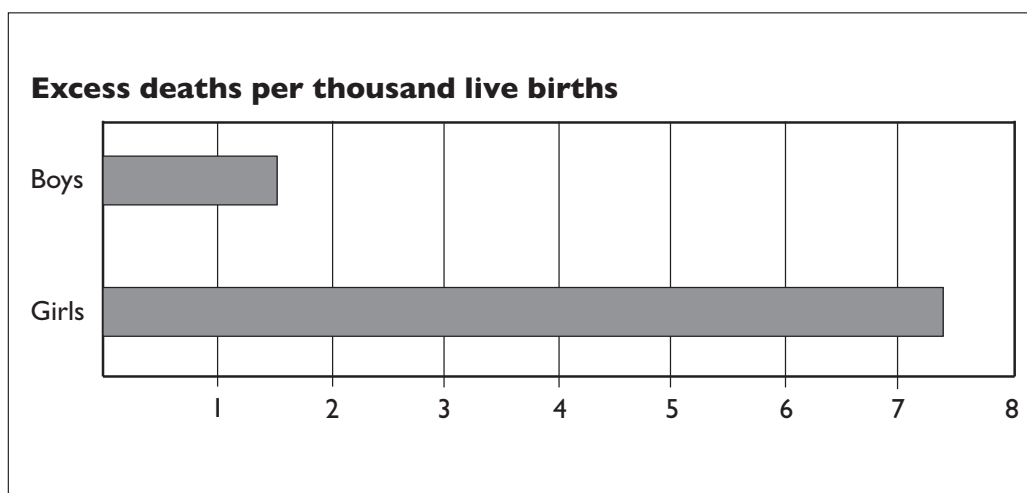
In the absence of safety nets or social protection to buffer the effects of the crisis, millions of households will have no alternative but to take decisions that will have irreversible consequences on their future development: to sell their meagre assets, reduce the quantity and quality of food they consume, and/or sacrifice expenditure on education and healthcare for household members (UNICEF 2009, 7). The most vulnerable households will probably have to cut down on the

amount of food eaten at each meal, reduce the number of meals, change the composition of meals in favour of high calorie food (such as grains) and reduce high protein foods, thereby aggravating the nutritional problems that they are normally tend to experience.

In the economic crisis in Cameroon in the 1990s, while malnutrition among children under the age of 3 in the lowest quintiles rose by 7-8 percentage points, it fell by 2-3% in the less poor quintiles. During the droughts in Zimbabwe in the mid-1990s, children in the poorest households suffered the greatest losses in terms of rate of growth. Years later, those children had grown proportionately less than other less poor children. This is particularly worrying as there is evidence that a decline in children's weight is associated with a decline in their physical and intellectual capabilities, affecting their future development potential (FAO 2009d). Worse still, according to World Bank estimates, the financial and economic crisis will cause between 200 000 and 400 000 additional deaths among newborns every year in the period 2009-2015, meaning 1.4 million to 2.8 million more newborn deaths, should the crisis persists.

Evidence from earlier crises also shows that it is girl babies and women that suffer the greatest harm in terms of food security, health and education. During the 1997-98 Indonesian drought and financial crisis, the response of mothers of poor families was to reduce their own consumption of dietary energy to be able to better feed their children, which led to an increase in maternal malnutrition. Households reduced their purchases of more high-protein foods in order to buy their main staple, rice, which increased the prevalence of anaemia in both mothers and their children. These effects were particularly serious in the case of children conceived and weaned during the crisis (FAO 2009d). Studies have shown that the effect of a negative shock has repercussions that are five times more serious on the mortality rate of baby girls than baby boys (see graph 15).

Graph 12: Increase in infant mortality above the non-crisis baseline during large economic shocks by gender



The costs of chronic hunger are huge, both in human and in economic terms. An insufficient or permanently inadequate diet exacerbates the micronutrient deficiencies of the poorest populations, which has huge negative effects on nutrition and health – such as impaired cognitive development, lesser resistance to illness, and higher risks of complications for expectant mothers. Given that adequate nutrition is essential for the physical and intellectual development of children, as well as for the productivity and income-generation capacity of adults, the adverse repercussions of the economic crisis will be felt beyond the short term and in many cases they will be felt more by girls and women than by boys and men.

Conclusions and policy options⁹

There is sufficient food in the world to feed everyone; world hunger is mainly related to the inequitable distribution of available food worldwide, and to the difficulties of the most marginalised sections of society in gaining access to food. Most of the millions of people suffering from hunger live in the rural areas of developing countries, are directly or indirectly dependent on agriculture for their survival, but have neither the resources to produce food nor the income to buy it. Agricul-

⁹ This is based on the twin component proposal designed by FAO, IFAD and WFP.

ture and rural development therefore play a vital role in combating hunger and malnutrition.

Yet for more than two decades, national and international policymakers have systematically ignored the importance of the rural sector and agricultural development as a driving force of economic development. Government policies, public expenditure and public and private investment have given pride of place to urban and industrial development, and more recently to the service industries. As a result of this neglect, agriculture has undergone a process of disinvestment which is slowly eroding both its productivity and its production capacity, and which has contributed to plunging rural populations into deep poverty.

Against this background, the food price crisis and the overlapping financial and economic crisis have only exacerbated the impact of the long-standing structural inequalities that create deep vulnerability in societies. There is ample evidence, across the decades, that investing in agriculture reduces the number and proportion of hungry people. The first policy option is therefore to substantially increase domestic investment and international development assistance in agriculture in poor countries. This will have the effect of reducing poverty, as the poor living in rural areas depend on agriculture for their survival.

The fact that women have less access to land and other productive resources in both developed and developing countries has not triggered any major policy responses. Yet the recent crises show that gender differences in this regard create vulnerability, not only to individual households but also to society as a whole, jeopardising its capacity to address crises and shocks and leading to even higher levels of poverty and food insecurity. The problem of hunger cannot be resolved unless these structural features are taken into account and included in policies. Measures have to be taken to guarantee more equitable access by men and women to productive resources, particularly land, but also water, farm inputs, information services, education, agricultural extension, technologies and markets. Agrarian reform policies, as well as all agricultural and rural development policies, must take account of gender equality aspects, not only to prevent discrimination and the violation of human rights, but also as an effective way to improve performance and achieve their objectives.

In the short term, direct measures are needed to improve the access to food of all those who have been plunged into extreme

poverty and who have seen an erosion of their ability to produce and generate income. Such measures include cash transfers, distributing food to rural and urban consumers, distributing seed and basic inputs to producers living in emergency situations, and establishing or improving these or other social protection and security safety nets. These programmes must target those suffering the most from the highest level of structural and contingent vulnerability, the urban and rural households who are net food buyers, and poor households headed by women both in urban and rural areas.

In the medium and long term, the capacity of the agriculture sector must be strengthened by adopting measures to raise productivity, bearing in mind constraints on smallholder producers (both men and women) with regard to access to land and water, technology, markets, infrastructure, extension and credit. This process must be built on a broad-based and participatory agricultural and rural development model, taking due account of the needs, interests and specific problems of men and women.

These initiatives and policies must make it possible to improve production potential, employment and income, not only to resolve current crises and prevent them from re-occurring, but also to create the conditions to be able to deal with the major challenges that are likely to emerge in the near future, such as feeding a world population expected by UN estimates to exceed 9 billion in 2050, against a background of major social, economic and demographic changes, increasingly scarce availability of land and water, and greater hazards associated with climate change.

References

- Blackden, C. M. and C. Bhanu. 1999. Gender, growth, and poverty reduction: Special program of assistance for Africa. *1998 Status report on poverty in Sub-Saharan Africa*. Technical Document 428. Washington, D. C.: World Bank.
- Bordia Das, M. 2006. *Do traditional axes of exclusion affect labour market outcomes in India?* Paper N° 97. Social development papers. South Asia Series.
- Braun (von), J. 2008a. *High food prices: The what, who, and how of proposed policy actions*. Policy Brief. Washington D. C.: International Food Policy Research Institute (IFPRI).
- . 2008b. Rising world food prices: How to address the problem? *Bridges*. 12(3). Center for Trade and Sustainable Development. Downloadable from <http://ictsd.net/downloads/2009/03/bridges12-3.pdf>.

- . 2008c. *Food and financial crises. Implications of agriculture and the poor*. Washington D. C.: International Food Policy Research Institute (IFPRI).
- Diouf, J. 2009. Speech. Director-General of the Food and Agriculture Organisation of the United Nations, and Vice-Chair of the High-Level Task Force on the Global Food Security Crisis, Madrid, 26-27 January, 2009.
- Diouf, J. 2008. Speech. High-level conference on *World food security: The challenges of climate change and bioenergy*, June.
- FAO, IFAD, ILO. 2010. *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty. Status, trends and gaps*. Rome: FAO.
- FAO. 2009a. *High food prices and the food crisis. Experiences and lessons learned*. Rome: FAO.
- FAO. 2009b. The market and food security implications of the development of bio-fuel production. Committee on commodity problems. 67th Session. Rome 20-22 April.
- FAO. 2009c. *Food Outlook*. April.
- FAO. 2009d. *Economic crises and food security: Impacts and lessons learned. State of food insecurity 2009*. Rome: FAO.
- FAO. 2008a. *Soaring food prices: Facts, perspectives, impacts and actions required*. High-level conference on world food security. The challenges of climate change and bioenergy. Rome, 3-5 June.
- FAO. 2008b. *Food Outlook*. November. Rome: FAO.
- FAO. 2008c. *Food insecurity in the world. 2008. High food prices and food security – threats and opportunities*. FAO: Rome.
- FAO. 2000. *The state of food and agriculture, lessons from the past 50 years*. Rome: FAO.
- Haan (de), A. and M. Lipton. 1997. Population, consumption and human development. Background paper for the 1998 Human Development Report. Downloadable from hdr.undp.org/en/reports/global/hdr1998/papers/LIPTON-Michael_PopulationConsumption.pdf
- IFAD. 2003. Women as a locomotive force for change. Thematic document. Rome.
- ILO. 2008. *Promotion of rural employment for poverty reduction*. Report to the International Labour Conference, 97th Session. Geneva: ILO.
- ILO. 2003. Decent work in agriculture. International workers' symposium on decent work in agriculture. Geneva, 15-18 September. Downloadable from www.ilo.org/public/english/dialogue/sector/techmeet/iwsdwa_03/iwsdwa-r.pdf
- Kacef, O. 2009. El impacto de la crisis internacional sobre la pobreza y la equidad en América Latina. Artículo de opinión. *Eurosocial Fiscalización*. <http://www.eurosocialfiscal.org/uploads/documentos/4a6fa0b9b11699c475d1a31e560bcaef.pdf>
- Pollack, M. 1992. Los grupos vulnerables del mercado de trabajo. Los casos de Chile y Paraguay. In *Género y Mercado de Trabajo en América Latina. Procesos y Dilemas*. (Ed.) C. López, M. Pollack y M. Villarreal. Santiago de Chile : PREALC, OIT.
- Quisumbing, A. R., L. Haddad and C. Peña. 1995. *Gender and poverty*. FCND discussion papers 9, International Food Policy Research Institute (IFPRI). Downloadable from <http://ideas.repec.org/p/fpr/fcnddp/9.html>

- Robles, M., M. Torero and J. von Braun. 2009. *When speculation matters*. International Food Policy Research Institute. IFPRI Sustainable solutions for ending hunger and poverty. Supported by the CGIAR Issue Brief 57.
- Ruiz-Arranz, M., B. Davis, M. Stampini, P. Winters, S. Handa. 2002. *More calories or more diversity? An econometric evaluation of the impact of the PROGRESA and PRO-CAMPO transfer programmes on food security in rural Mexico*. Rome: FAO. <ftp://ftp.fao.org/docrep/fao/007/ae028e/ae028e00.pdf>
- UNCTAD. 2009. *The global economic crisis: Systemic failures and multilateral remedies*. Report by the UNCTAD Secretariat task force on systemic issues and economic cooperation. New York and Geneva: United Nations.
- UNICEF. 2009. *A matter of magnitude. The impact of the economic crisis on women and children in South Asia*. New York: UNICEF. http://www.unicef.org/rosa/Latest_Matter_of_magnitude.pdf
- World Bank. 2008a. *Guidance for responses from the human development sector to rising food and fuel prices*. Washington, D. C.: World Bank. Downloadable from http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/HDNFoodandFuel_Final.pdf
- World Bank. 2008b. *World Development Report. Agriculture for Development*. Washington, D. C.: World Bank. Downloadable from http://siteresources.worldbank.org/INTWDR2008/Resources/WDR_00_book.pdf