

Food Aid After Fifty Years: Recasting Its Role

Christopher B. Barrett and Daniel G. Maxwell. 2005. New York: Routledge. 314 + xvii pages. ISBN: 0-415-70125-2, \$48.95 (pbk).

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Christopher Barrett and Daniel Maxwell's *Food Aid After Fifty Years* offers economists, food aid practitioners and international development policy analysts a useful review and analysis of the current food aid situation and its historical context, as well as a set of food aid reform proposals. The book uniquely combines scholarly analysis with a practitioner's understanding of the implementation and delivery of food aid policies and programs to provide a thorough resource and a specific agenda for improving food aid. For the Christian economist with an interest in international development this book provides a compelling example of policy-relevant scholarship that raises critical moral questions surrounding public food aid policies in a manner its intended audience of policy makers, agency staff, and researchers will find accessible.

The book contains eleven chapters and begins with an overview of the food aid system, describing the stated rationales for food aid, the actors in the food aid system, and the distribution system. The second chapter addresses the most important country (in terms of value and volume of food donated) in world food aid policy, the United States, and the role of donor orientation in food aid. This chapter develops the analysis of the relationship between food aid and domestic agricultural policy, as well as the long-standing importance placed upon geopolitical considerations (as opposed to nutritional or other development criteria) in designing and implementing U.S. food aid policy. The third chapter addresses multilateral and bilateral food aid donors and is followed by a discussion of international regulatory institutions and agreements in the next chapter. Chapter five illustrates how domestic producers and processors, shippers and handlers, and non-governmental organizations (NGOs) are the primary domestic constituents benefiting from the current structure of food aid. Chapters six through nine turn the focus towards recipients and the links between food aid and food insecurity. The last two chapters present a set of reform proposals that would recast food aid to make it more responsive to an overall strategy of reducing poverty and food insecurity. The authors present nine specific recommendations for reform in chapter eleven, with specific recommendations ranging from the negotiation of a new Global

Food Aid Compact to improving the targeting of food aid.

Barrett and Maxwell advance a number of central themes. The first theme they discuss is that while notable reforms have occurred, much of the current food aid system retains a distinct donor orientation. They focus much of their attention on the case of U.S. food aid policy (most of their experience is with the U.S. system). They note the historical legacy of food aid as an attempt by wealthier countries to deal with surplus agricultural commodities. In addition, donor countries have used food aid as a means of furthering strategic geopolitical campaigns (aid targeted to countries such as Egypt and North Korea, or to post-conflict situations where the United States has an involvement such as Afghanistan at present). Barrett and Maxwell argue that the benefits of this current system accrue to three main groups: “domestic food processors, maritime interests, and the NGO community” (p. 87). They describe how the NGOs have become the most vocal and influential supporters of the current U.S. food aid system as a greater share of non-emergency U.S. food aid has been channeled to NGOs to be “monetized” (sold in-country with the funds received used in support of programs) and then used to support projects in the area of micro-enterprise development, health or education. They criticize this reliance and dependence on food aid flows but also report the concern of many in the NGO community that if food aid flows were eliminated it is doubtful that direct budgetary support would be available in the volume necessary to replace the current level of resources.

Secondly, Barrett and Maxwell outline the dimensions of a more effective food aid system. They make the point that the current system serves numerous goals, from recipient humanitarian, developmental, macro-economic and balance of payments aims to donor objectives relating to their domestic food industries and export promotion, shipping industries, and geopolitical aims. A more effective food aid system would focus on a single goal of achieving food security and addressing its root cause of poverty. Such a food system would have the ability to respond quickly to acute humanitarian crises, such as those stemming from the recent tsunami in Indonesia, Thailand, Sri Lanka, and India. Additionally, the system would create and build insurance mechanisms (safety nets) and assets that increase and secure higher incomes (cargo nets), primarily through the use of cash-based transfers, particularly in areas where local food markets function well.

The book’s third theme is that food aid reform is both politically and institutionally possible, and they lay out a specific set of reforms for consideration. Their argument rests upon the observation that “such

reforms need not cost the major domestic constituencies anything since food aid presently generates no widespread benefits either to American agriculture or to U.S. foreign policy” (p. 49). The authors convincingly suggest the current “iron triangle” of interests in strong support of U.S. food aid policy (shippers, agricultural interests, and NGOs) is not a strong coalition. The NGOs, if they act together as a group, clearly would serve their mission better if they could receive programmatic resources in a more flexible form (cash) than food aid for monetization. If they work together, they would all benefit, even in the case where there was some overall reduction in resources in the move from food aid to more cash for development programs. To address the U.S. shipping industry concerns about reform, the authors suggest including funds in a Department of Defense or Department of Transportation strategic shipping capacity program. Barrett and Maxwell argue that agricultural producers actually receive very little benefit from the food aid program (though some specialty processors and distributors appear to gain). In some countries, with Canada being one example, farm groups have supported food aid reforms precisely because they appreciated the lack of direct benefit they received and they desired greater food aid program impacts. Their proposals include allowing USAID to purchase food in developing countries, eliminating duplicative bureaucratic structures in USDA and USAID and shifting the responsibility to USAID, switching a portion of the PL 480 budget to cash grants in support of safety net and cargo net strengthening, and restoring development assistance funding to the levels (in real terms) of the 1980s.

The authors employ a rhetorical theme throughout the book of identifying and debunking “food aid myths.” The book states thirteen food aid myths from “American food aid is primarily about feeding the hungry” to “food aid necessarily hurts recipient country producer incentives.” They discuss and critique these statements in text boxes. The extent to which most knowledgeable food aid observers actually believe any of these myths seems open to debate. For example, I suspect that most people involved with food aid understand that food aid often takes too long to arrive because of delays in identification, approval, and procurement and shipping of aid from the United States. This awareness lies behind the discussion of reforms already implemented such as the limited amounts of strategic food reserves in place in some regions.

This book represents a useful and needed contribution to the ongoing discussion of food aid and development assistance policy. Its detailed description of the organization and historical context of food aid is invaluable as is its presentation and discussion of economic and political

dimensions of U.S. food aid policy. I consider the analysis of how to reform and improve the current food aid system detailed and novel. Nonetheless, the book does have some limitations.

Although the book could not consider all the dimensions of food aid, it would have been strengthened with a broader discussion of the relative importance of food aid compared to other dimensions of international development assistance and international trade policy. For example, how important are the deficiencies of current food aid policy and U.S. food aid policy compared to other trade distortions in international agriculture, such as support for domestic producers that provides an unfair advantage for exports? For U.S. advocates interested in poverty alleviation, a better understanding of how this issue compares with other development issues (such as fair trade regimes for developing country producers, reduction in foreign debt, increased funding for combating HIV/AIDS in Sub-Saharan Africa) would be useful. It might be easier to agree with the authors' proposals for change if the comparative dimensions of food aid were addressed more thoroughly. Where does fixing food aid fit in terms of the overall international development policy agenda?

Also, the book advances a specific set of policy proposals that deserve careful consideration. However, the political risks inherent in such recommendations should not be ignored or underestimated. Those risks include breaking the traditional coalition in support of U.S. food aid (NGOs and their constituents, shippers, agricultural producers) without a functioning coalition to support the alternative policy framework in place. Some other options to consider in the policy realm might include advocating for net increases in international aid that would help fund regional risk management mechanisms to address the risk of famine or other food security breakdowns. Alternatively, entirely new donors might be identified to fund and take on the development of new food aid institutions and within the U.S. food aid budget, specific reforms taken to further improve its efficiency and effectiveness.

Another point of potential disagreement concerns their writing on food aid monetization. Do they take too strong a stance against monetization? The authors recognize both the inefficiency of food aid as a development funding resource and the benefits of food aid monetization as a financial resource for funding non-emergency development programs. What is the set of circumstances where food aid monetization meets consumption and market development goals? How important are macroeconomic considerations in fragile economies where food purchases might pose a significant demand for foreign exchange? Monetization clearly is

inefficient when compared to cash resources, but the additional cash resources in USAID's budget for funding development programs in the areas of agribusiness development for smallholders, maternal and child health, and education programming do not appear to be readily available. Clearly, the most egregious misapplications of monetization need to be curtailed (especially dumping or sales to local distributors and wholesalers that do not include open and competitive bidding processes), but as Barrett and Maxwell acknowledge, a limited role for monetization of food aid can remain.

Christian economists will benefit from this book in at least three ways. First, the analysis and discussion of food aid policy will interest economists, aid agency personnel, and policy makers. While some of the book's points have been expressed earlier, it represents a significant contribution to the literature on food aid, as well as that of international development assistance generally, through its extensive discussion of food aid's history, policy context, economic impacts and political economy. Even those familiar with most of the issues discussed will appreciate the book's organization and its detailed collection of food aid facts and programmatic details. University researchers will appreciate the topics deserving additional research attention that the authors identify throughout the text. Moreover, the book advocates a reform agenda that warrants discussion and debate by academic economists as well as development practitioners and politicians.

Second, this book represents an example of the integration of Christian thinking concerning development from a moral perspective with insights from economics and food policy. While the authors do not explicitly claim to be working from a Christian perspective in their analysis, the questions they raise are consistent with a Christian moral framework, if not motivated by such a moral perspective. In particular, the authors repeatedly raise questions about how to make food aid work better for recipients. This is the moral call that needs to be heard when political interests seek to shape the design of programs and policies to benefit large industries and others in powerful positions. They raise questions about the current U.S. food aid system and the costs (as measured in terms of recipient benefits forgone) that the current procurement and shipping rules imply. In contrast to many of the scholarly works done by economists in the agricultural economics literature, Barrett and Maxwell provide analysis and criticism, and they raise specific suggestions for alternative policies that they advocate. I find the clarity of their thinking and the directness of their arguments for their normative positions refreshing.

Thirdly, this book grows out of an unusual partnership between an academic economist and a development practitioner. Christopher Barrett is a past president of the Association of Christian Economists (ACE) and is International Professor of Applied Economics and Management, as well as Co-Director of the African Food Security and Natural Resources Management program at Cornell University. Daniel Maxwell is Deputy Regional Director for CARE International in Eastern and Central Africa. ACE members have an interest in this sort of collaboration, especially given the emphasis that ACE has placed in recent years on bringing together academic economists and development practitioners. Barrett (with Douglas R. Brown) participated in the Association's post-ASSA meetings conference in 2003 titled "Economists, Practitioners, and the Attack on Poverty: Toward Christian Collaboration," and Brown and Barrett authored a chapter in the book that resulted from that conference (Dean *et al.* 2005). *Food Aid After Fifty Years* takes the path of collaboration with scholarly analysis and the professional's view for relevance and institutional detail further than any other book I am aware of in the international development policy literature. I strongly recommend this book for Christian economists.

Reference

Dean, Judith M., Julie Schaffner, and Stephen L. S. Smith, eds. 2005. *Attacking Poverty in the Developing World: Christian Practitioners and Academics in Collaboration*. Waynesboro, GA: Authentic Media, published in partnership with World Vision Resources. ■