

ISSUE BRIEF

No. 3609 | MAY 17, 2012

G8 Food Security Agenda Should Encourage Greater Economic Freedom, Not More Dependency

Ambassador Terry Miller and Anthony Kim

President Obama is hosting the 38th annual G8 summit May 18–19 at Camp David. It is expected to be “a short summit of less than 24 hours, yielding only a five-page communiqué.”¹ The deplorable reality is that in recent years, the credibility and relevance of the G8 summit has been increasingly tarnished. The annual summits have become little more than feel-good political exercises that have failed to promote practical solutions to pressing global challenges. This year’s summit is likely yet again to gloss over a wide range of complicated security and economic issues.

Obama’s Focus: Africa, Not Europe. While Europe’s worsening political and economic predicament and its implications for the global economy will surely dominate much of the leaders’ conversations during the short summit,² President

Obama, who made a multibillion-dollar food security initiative the centerpiece of his first G8 meeting in 2009, wants to focus on Africa’s food security. To that end, the President has invited leaders of four African nations—Benin, Ethiopia, Ghana, and Tanzania—to the summit.

Indeed, ensuring food security in Africa is a critical matter for the continent’s ongoing economic transformation and future development. The issue calls for genuinely serious efforts by many stakeholders, and it will be unfortunate if the the food security agenda becomes just another diplomatic occasion for generating a G8 summit sound bite. Moreover, the President’s agenda, heavy on aid, is likely to generate more dependency rather than security. A more credible strategy to advance agricultural development and enhance Africa’s food security would encourage market development, trade, and greater economic freedom instead.

Food Insecurity in Africa: A Quandary That More Money Alone Cannot End. At the 2009 G8 summit in L’Aquila, Italy, President Obama pledged multibillions in financial commitments and garnered international support for a global effort to reduce hunger and poverty.

The L’Aquila Food Security Initiative (AFSI), orchestrated by President Obama, mobilized aid pledges of \$22 billion in agricultural development assistance over the following three years. Highlighted as an addition to other existing emergency and humanitarian food aid, the AFSI declaration called for “substantially increasing aid to agriculture and food security.”³

Food insecurity, an unfortunate home-grown affair in many African countries, is a complex issue that more aid money alone cannot resolve. In its first Africa Human Development Report titled *Towards a Food Secure Future*, the United Nations Development Program points out:⁴

The failures that add up to food insecurity are pervasive, from agricultural, health, education and nutrition policies to research, extension services, sanitation, local government, commerce and transport. An effective response to a challenge this broad cannot be narrowed to a single intervention, discipline or institutional mandate. It will take a coordinated response across sectors.

This paper, in its entirety, can be found at <http://report.heritage.org/ib3609>

Produced by the Center for International Trade and Economics (CITE)

The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002
(202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Indeed, ensuring food security is a multidimensional task that is closely linked to achieving agricultural development, economic growth, institutional stability, and overall social progress. At the heart of these tasks—as many African countries are learning to their benefit—is the advancement of economic freedom so that a virtuous cycle of growth and development can meaningfully occur for a greater number of ordinary people.

In other words, advancing economic freedom should be at the forefront of any serious efforts to eliminate food insecurity. Economic freedom, cultivated by the rule of law, limited government, regulatory efficiency, and open markets, is critical to generating the broader-based economic dynamism across sectors that brings more opportunities and greater basic economic security for people.

Economic Freedom: Key to Promoting Self-Sufficiency. This multidimensional relationship between economic freedom and enhancing economic security has been analyzed empirically in the annual *Index of Economic Freedom* by The Heritage Foundation and in many other similar studies by multilateral development organizations such as the World Bank and the African Development Bank. Not only does a high level of economic

freedom clearly induce a greater level of economic development, but it also facilitates progress in overall human development including better health, longer lives, greater education, and cleaner environments, all of which are critical components of basic economic security.

Free countries have a much better record at reducing poverty, spreading greater overall economic security, and empowering women with more opportunities to participate in productive economic activity.

As indicated by the findings of the *Index*, sustaining dynamic and inclusive economic expansion is, in fact, about putting into practice three fundamental principles of economic freedom: empowerment of the individual, non-discrimination, and open competition.

Fortunately, a growing number of African nations have made serious efforts to put the principles of economic freedom into practice. Stories of African economies are no longer just about natural-resource-driven growth or lingering political volatility.

For example, in the 2012 *Index*, Mauritius became the first Sub-Saharan African country ever to advance into the top 10 in the rankings. Over the past 10 years, Rwanda, a previously conflict-ridden country, has worked persistently to advance economic freedom, generating

impressive entrepreneurial activity and becoming one of the fastest risers in the *Index* and other similar global studies such as the World Bank's Doing Business Report.

Recent years' economic reforms and improved policy environments in many countries in the region have made Africa one of the fastest-growing regions in the world. Trade facilitation and other regulatory reforms have strongly contributed to advancing economic freedom and enhancing competitiveness and the general entrepreneurial environment.

It is not coincidental that overall poverty in Africa is also declining. Volumes of economic research have shown that the entrepreneurship encouraged by greater economic freedom leads to innovation, economic expansion, and overall human development. According to a study by two renowned scholars from Columbia University and the Massachusetts Institute of Technology, "African poverty is falling ... much faster than you think!" If the right policies are adopted, "the lesson we draw is largely optimistic: even the most benighted parts of the poorest continent can set themselves firmly on the trend of limiting and even eradicating poverty within the space of a decade."⁵

African Producers and Consumers Want Greater Economic Freedom. Few dispute

1. John Kirton, "G8 Global Leadership: The Camp David Contribution in 2012," G8 Research Group, University of Toronto, <http://www.g8.utoronto.ca/scholar/kirton-g8-120508.pdf> (accessed May 17, 2012).
2. The G8 consists of the United States, Canada, France, Germany, Italy, Japan, Russia, and the United Kingdom. The European Union is also represented by the presidents of the European Commission and the European Council. Russian President Vladimir Putin announced on May 9 that he will not attend the G8 Summit and will send Prime Minister Dmitry Medvedev instead.
3. "'L'Aquila' Joint Statement on Global Food Security," L'Aquila Food Security Initiative (AFSI), July 10, 2009, http://www.g8italia2009.it/static/G8_Allegato/LAquila_Joint_Statement_on_Global_Food_Security%5b1%5d%2c0.pdf (accessed May 17, 2012).
4. United Nations Development Program, "Africa Human Development Report 2012: Towards a Food Secure Future," <http://www.undp.org/content/dam/undp/library/corporate/HDR/Africa%20HDR/UNDP-Africa%20HDR-2012-Summary-EN.pdf> (accessed May 17, 2012).
5. Maxim Pinkovskiy and Xavier Sala-i-Martin, "African Poverty Is Falling ... Much Faster Than You Think!" January 17, 2010, http://www.columbia.edu/~xs23/papers/pdfs/Africa_Paper_VX3.2.pdf (accessed May 17, 2012).

the enormous agricultural potential of many parts of Africa or the role of modern agriculture in meeting growing demands for food production and food security. Ending Africa's chronic food insecurity will require creating a virtuous cycle of agricultural development and economic growth.

To facilitate this process, emerging agricultural entrepreneurs greatly need access to integrated African markets and larger markets outside Africa. African producers face formidable trade barriers and inefficient competition imposed by the U.S. and the EU. Instead of continuing empty promises, G8 countries should deliver concrete action, such as ending fiscally ruinous agricultural subsidies that unfairly benefit their domestic producers while marginalizing

Africa's impoverished smallholder farmers.

African nations should be encouraged to continue their ongoing advancement of economic freedom. As the Assistant Secretary-General and Regional Director for Africa of the United Nations Development Program points out, "Africa has the knowledge, the technology and the means to end hunger and food insecurity. But still missing have been the political will and dedication. Africa must stop begging for food."⁶ The G8 can never furnish these nations with the political will, but by demonstrating serious, committed action in freeing trade and opening up their markets to African producers, G8 leaders can ensure that their advice and concerns are taken into account.

There may be no magic formula to guarantee the improvement of food security in Africa. However, the focal point of the G8 food security agenda should be the advancement of economic freedom—the indispensable ingredient in promoting growth and development.

—**Ambassador Terry Miller**
is Director of the Center for International Trade and Economics and Mark A. Kolokotronis Fellow in Economic Freedom at The Heritage Foundation and a contributor to ConUNdrum: The Limits of the United Nations and the Search for Alternatives (Rowman & Littlefield Publishers, 2009). Anthony B. Kim is Senior Policy Analyst for Economic Freedom in the Center for International Trade and Economics at The Heritage Foundation.

6. United Nations Development Program, "Africa Human Development Report 2012."