Vulnerability To Natural Disaster Shocks And Implications For Regional Food Security In Southern Africa

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Focus

- How to ensure an efficient and effective humanitarian response to drought emergencies while avoiding negative impacts on long-term development objectives

- Examine this through the lens of the 2002/03 crisis
Four Points

- Early Warning worked in Southern Africa in 2002/03
  - No reason it can’t in the future
  - This has policy and programmatic implications

- Market proponents and the relief community both need to examine their assumptions
  - The concept and empirical reality of *vulnerability*

Four Points (cont’d)

- Real trade reform requires the *professionalization of customs services*

- Investment in Strategic Grain Reserves (SGRs) is likely to hinder the real investments that are needed
Early Warning Chronology

- April 2002
  - SADC early warning and FEWSNET warn of “imminent production shortfalls”

- September 2002
  - FEWSNET estimates 14.4m people require 1,051,000 MT of food aid
  - 3.3m MT total estimated cereals gap

Early Warning Chronology (2)

- 31 December 2002
  - 15.25m people
  - 395,000 MT food aid had been “received”
  - 1,359,000 MT formal imports had arrived
  - About half the estimated gap filled by registered inflows

- 31 March 2003
  - Response had been sufficient to avoid “humanitarian crisis and potential famine”
Early warning clearly worked …

… but was it “right”?
Those who cannot meet current food needs.
Food Security, Vulnerability, and Market Demand for Food during Food Crises

Currently Food Insecure

- Those who *cannot* meet current food needs

- Those who can meet current food needs only through *unsustainable coping mechanisms*
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Those who **cannot meet** current food needs

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Food Security, Vulnerability, and Market Demand for Food during Food Crises
Those with sufficient *current income* to meet food needs

Those who can meet current food needs through *sustainable coping mechanisms*

Those who can meet current food needs only through *unsustainable coping mechanisms*

Those who *cannot meet* current food needs

Food Security, Vulnerability, and Market Demand for Food during Food Crises

Sustainably Food Secure

Vulnerable

Currently Food Insecure

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- **Currently Food Secure**
  - Those with sufficient **current income** to meet food needs
  - Those who can meet current food needs through **sustainable coping mechanisms**
  - Those who can meet current food needs only through **unsustainable coping mechanisms**
  - Those who **cannot meet** current food needs

- **Currently Food Insecure**

**Vulnerable**

**Total Need**
Food Security, Vulnerability, and Market Demand for Food during Food Crises

Currently Food Secure

Sustainably Food Secure

Those with sufficient current income to meet food needs

Sustainable Market Demand

Total Market Demand

Total Need

Vulnerable

Those who can meet current food needs through sustainable coping mechanisms

Currently Food Insecure

Those who can meet current food needs only through unsustainable coping mechanisms

Those who cannot meet current food needs

In the end, this is an empirical question …
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… and we don’t have enough empirical information

Important area of collaborative research
What do we know?

- Food aid needs were overestimated
  - No more than 77% of estimated food aid needs had reached beneficiaries by end of March 2003
  - Probably and perhaps substantially less

Yet “the crisis was averted”

What do we know? (2)

- Food balance sheets are an imperfect but necessary starting point in planning

- Could be improved by incorporating consumer response to relative prices
What *do* we know? (3)

- The Malawi government imported far too much
  - Did not consider informal imports at all
  - Prices fell dramatically
  - Government incurred very large costs selling imported grain at low prices

What *do* we know? (4)

- The Zambian government has frequently hindered private sector import response in the past
  - Did better in 2002/03, but still needs improvement

- Southern Mozambique, with no non-tariff barriers to trade, historically (and in 2002/03) has the most stable maize prices in the region (outside of South Africa)
What **do** we know? (5)

- Despite all these difficulties …
  - Private imports provided at least 75% of the inflow in response to the crisis

  **Markets played a major role in the response!**

  … and could have played a larger role

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How could the trade response be further enhanced?

- A long list of reforms that governments need to make, with donor assistance
  - Clarify roles, simplify rules, and act transparently

- But none of these will be as effective as they should be without more professionalized customs services
How could the trade response be further enhanced? (2)

- Customs services should facilitate legal trade
- Instead, they mostly use trade legalities to hinder open (legal) commercial trade and promote its informalization
- They could equally use any “new legalities” for the same purpose!

Strategic Grain Reserves

- Played no role in the successful 2002/03 crisis response
- Can be extremely costly and disruptive to markets
- In principle, small and well managed stock could provide “degrees of freedom” in responding to crises
- But management record is not encouraging
- … and Early Warning really was early!
  - Let’s make sure it stays that way
Wrapping up

- Invest in sustainable local capacity for early warning, including market information
- Learn how to quantify, forecast, and predict the future effects of vulnerability
  - Market proponents and the emergency response community need to work together
- Introduce consumer response to relative prices into food balance sheets
- Don’t let SGRs divert you from the more fundamental challenges of making markets and early warning work