

FOOD SECURITY POLICIES IN SOUTHEAST ASIA

Implications for Trade, Investment, Regional
Integration & Sustainable Development

TERMS OF REFERENCE

TRADE KNOWLEDGE NETWORK (TKN) SOUTHEAST ASIA

INTRODUCTION

As with people in many other developing regions in the world, food is a matter of importance to the population of Southeast Asia. The region is tropical, with rich soils and evenly spread rainfall. Naturally, the Southeast Asian region has vast potential for agricultural production. Despite this, the region remains vulnerable to food insecurity. The increase in food prices in the period of 2006-2008 and the increased volatility of the food commodity markets have raised growing concerns in the region, particularly among the food-importing countries. Apart from food security concerns, these problems also created adverse effects on poverty and the distribution of income.

The 2008/2009 economic crisis reduced international prices of agricultural and non-agricultural commodities and attenuated preoccupations with food security (but impacted food producers). However, it is reasonable to assume that once the economic recession is over, the price of foodstuffs will increase.

On the supply side, the increasing limits to the expansion of the agricultural frontiers, the decrease in the rate of growth of crop yields and the threat of environmental deterioration for the region's population, including global warming, represent some of the key issues around the issue of food security in the region.

On the demand side, the sharp increase in demand, propelled by the economic growth and changes in consumption habits in emerging economies, coupled with the greater use of cereals and oleaginous plants for the production of biofuels are likely to increase the prices of the food, although technological innovations are also likely to compensate some of these limitations.

National Policy Responses to the Crisis and Food Security

The magnitude of the effects of the increase in agricultural prices varies enormously between countries, products and type of household. Hypotheses about the impacts of the rise in agricultural prices in a country must consider not only the relation between net exporting and importing countries, but also the product-country relation, the structure of costs at the level of households, and the possibility of improvement of the 'import capacity' or of the capacity to increase agricultural supply.

The concern with the consequences of higher food prices on the most vulnerable sectors led countries in the developing world to take different types of measures, some destined to restrict the transmission of the increase in international prices and others directed to compensate their effects. There are at least three policy responses that have been prevalent in Southeast Asia to address this issue, which include measures directed to support domestic consumption of food (subsidies and the strengthening of safety nets) or domestic production (minimum prices, credits for the production), and measures addressing directly the trade flows (export taxes, reduction of import taxes, etc).

Interventions geared towards preventing or cushioning the increase of prices will diminish the potential income of the net food sellers, discouraging increases in the supply. On the other hand, measures that seek to restrict exports can discourage local production and generate protectionist reactions on the part of other countries, besides harming food security and contributing to the volatility of the international markets.

The concern with food security generated by the increase in agricultural prices has converged with a multilateral effort for the substantive diminution of world hunger until the year 2015. Not only is this one of the main objectives of the Millennium Development Goals, but has been included in the most recent declarations of the G8 and the G20 meetings, in which commitments for additional financing at the international level were made.

OBJECTIVES OF THE RESEARCH PROJECT

This research project is one of the components of a wider TKN's projects at the global level that aims to critically compare different approaches to addressing food security in three regions: Latin America, Africa and Southeast Asia. Within the context of Southeast, the key objectives of this research project are:

- (1) To critically analyze the impacts of food price increases, particularly on national trade balances and on the prevailing levels of poverty, taking into account key similarities and differences among countries in the Southeast Asian region as far as those impacts are concerned;
- (2) To assess policy responses taken at both national and regional levels to the food prices increases observed in the 2006-2008 period, making explicit their rationales, objectives and instruments;
- (3) To provide critical analysis on the implications of the national and regional policy responses in relation to; (a) intra-regional trade; (b) trade and regional integration policies and initiatives within Southeast Asia (such as ASEAN and GMS-led initiatives, etc.); and (c) broader objectives of achieving food security that take into account economic, social and environmental concerns;
- (4) To devise a new set of policies and initiatives geared at increasing the level of food security in Southeast Asia while taking into account the objectives of: (a) fostering trade and cooperation at the regional level (e.g. ASEAN); (b) keeping economies open to international trade; and (c) integrating climate change and sustainability criteria to the objective of food security; and, finally
- (5) To discuss the challenges posed by food security policies to the multilateral trade rules and negotiations in the World Trade Organization (WTO) and to evaluate the alternative to deal with these issues at the multilateral level.

METHODOLOGY AND DELIVERABLES

The TKN Southeast Asia will commission two national level studies, each focusing on one country in Mainland Southeast Asia and one in Maritime Southeast Asia, and one regional level study, which focuses on the existing regional institutions, such as ASEAN. The regional study will be co-authored with the TKN Southeast Asia Coordinator. The method in which the three studies to be carried out involves a combination of desk-research and interviews; the latter will be guided by a structured questionnaire to be elaborated further at the commencement of the project.

The selected candidates to carry out the three research projects are expected to deliver the following:

- (1) A research monograph or report of between 4,000 – 5,000 words in length, excluding footnotes and references;

- (2) A five (5) pages policy brief that highlight: (a) the key issues; (b) key research findings; and (c) policy propositions that can be drawn from the main report;
- (3) Active participation in a regional workshop and other dissemination activities that will be organized by the TKN Southeast Asia; and
- (4) The preparation of an editorial piece based on the main report to be published in the region's media.

TIMELINE

Activities	2009	2010			
	Dec	Jan	Feb	Mar	Apr
Identification of research consultants					
Commencement of the research project					
Submission of the first draft of the research report					
Review and comments on the first draft of the research report					
Workshop					
Submission of research the final draft of the research report					
Final review, comments and revision					
Submission of policy briefs and editorial piece					

ABOUT TKN SOUTHEAST ASIA

The Trade Knowledge Network (TKN) is a global collaboration of research institutions that aims to assess and address the impacts of trade and environment policies on sustainable development. The TKN is coordinated by the International Institute for Sustainable Development (IISD), a Canada-based not-for-profit organization promoting change towards sustainable development.

In its projects and activities, the TKN Southeast Asia encourages the application from young and dynamic researchers capable of delivering outstanding output under tight deadline. As part of its efforts to build knowledge capacity and to offer fair opportunity to everyone in the region, the TKN Southeast Asia also gives priority to researchers from ASEAN member states, women and other minority groups in the region.

Further information concerning TKN and / or IISD and all of our past studies can be found in the following websites:

<http://www.tradeknowledgenetwork.net> / <http://www.iisd.org>