

PolicyPennings by Daryll E. Ray & Harwood D. Schaffer

Adequate food supplies versus meeting basic food requirements

One of the paradoxes of the post-WWII era has been the coexistence of agricultural production adequate to provide every man, woman, and child with a basic diet and the continued presence of at least 800 million people who suffer from chronic hunger and face death by starvation.

Twice since the early 1970s world leaders have gathered together to adopt strategies either to eradicate hunger in a decade (the 1974 World Food Conference) or halve it in a score of years (the 1976 World Food Summit). Despite their good intentions, the number of hungry has stubbornly remained above 800 million.

With a growing world population, the percentage of people who experience persistent hunger and under-nutrition has declined, while the absolute number of those who face chronic hunger, the resulting diminished physical and mental capacity, and starvation has remained above 800 million—some estimates would put this number significantly higher.

The challenge, thus, is one of explaining the persistence of chronic hunger in spite of massive amounts of food aid being given, the green revolution, market liberalization, increasing yields, and periods—1998–2001—when grains were said to be in surplus and thus were being sold at prices well below the cost of production. The blame has been laid on population increase in the countries where hunger is the greatest, poor governance, corruption, inept actions of food donor groups, the implementation of market liberalization, and the lack of full market liberalization.

Undoubtedly each of these factors plays a role in sustaining the number of hungry in the world above the 800 million level. But these alone cannot explain why hunger remains stubbornly high. In the search for causes, we look at the nature of the market system that allocates the distribution of scarce resources, which have alternate uses.

At the heart of our economic system is the assumption that in a free market the buyer or the seller can walk away from a given transaction if the terms of exchange are unacceptable. This characteristic of the marketplace is called the assumption of non-coerciveness because neither party is forced into making the exchange.

Forced labor and slavery are violations of the assumption of non-coerciveness because, in these cases, the worker has no choice but to provide their labor or risk death. Likewise robbery is a form of coercive exchange as the owner is forced to give an item to the robber. Other examples of coercive exchange are taxation, monopolies, monopsonies, and government regulations. In each of these cases we have an actor—the slaveholder, the thief, the government, or a business

with no competitors—serving as the coercive agent.

In the case of food, it is the item that is being exchanged—not an economic actor—that is coercive. No single food item is coercive. One can buy chicken instead of lamb or green beans instead of broccoli. But human beings who lack the access to resources that enable them to produce their own food cannot simply decide to purchase no food at all and expect to live.

One can decide not to participate in many markets without suffering major consequences. There is no necessity to purchase gold, diamonds, music, or computers. One can avoid purchasing an automobile by walking, taking a bus, or getting a ride from a neighbor or friend. Many items in the marketplace are non-coercive in that one can refrain from purchasing them without experiencing life-threatening consequences. The same cannot be said for “food” in its most general and generic sense.

Over 800 million people experience chronic hunger because they lack access to land on which they can grow their own food or the financial resources needed to purchase a supply of food that will allow them to meet their nutritional needs. For them the normal market rules are not adequate to ensure them access to an adequate supply of food because they lack the price of admission to the marketplace for food.

Food is coercive because it must be consumed to sustain life, but even when there has been surplus supply in the marketplace, the price has been too high for the chronic hungry to secure their full nutritional requirements. The coercive property of food is a unique characteristic of the agricultural sector, and it is an underlying component of our model for analyzing policies for the sector.

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